FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT
No. 28,095 Saturday February 16 1980 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

EEC pressure to boycott Olympics

The European Parliament yesterday stepped up pressure on EEC Governments to endorse a boycott of the Moscow Olympic Games in protest over the Soviet invasion of Afghanistan.

Although some Governments are far from enthusiastic about recommending a boycott, it is recognised that if the U.S. does not take part then Western Europe will need to show solidarity. Page 2

Tito in coma

Yugoslav's President Tito has drifted into a coma and officials said there was virtually no hope that he would survive.

Hostage hopes

Iran's President Bani-Sadr met Ayatollah Khomeini last night and plans an early meeting with students occupying the U.S. embassy in Tehran. Page 2

PM surrounded

Police linked arms to stop Mrs. Thatcher getting bowled over as thousands of people, mostly well-wishers but some demonstrators, almost engulfed her on a walk-about in Salisbury, Wilts. Picture, Page 3

Heart man well

Britain's youngest heart transplant patient, 23-year-old Ewan MacPhee, a labourer from Inverness, is recovering at Cambridge's Papworth Hospital.

Communist ban

Benigno Zaccagnini, outgoing secretary of Italy's Christian Democratic Party, last night ruled out any move to open the doors of the Government to the Communist Party. Page 2

Rhodesian call-up

Thousands of white Rhodesian civilians reported for military duty as police hunted those responsible for a wave of bomb attacks in Salisbury. Page 2

Bishop to Vatican

The Pope appointed Scottish Franciscan priest Father Agnellus Andrew, a BBC broadcaster on Catholic affairs, as Bishop to the Vatican Pontifical Commission for Social Communication.

Indian eclipse

Millions of Indians are awaiting a total eclipse of the sun today. Seismologists said there is no evidence to support warnings by scientists that a disastrous earthquake will follow the eclipse.

Shah's legal bid

The Shah of Iran started legal proceedings in London to remove a legal bar preventing the sale of his stud and stables in Surrey. The Iranian Horse Society says its funds were used to buy it.

Botham 6 for 58

Ian Botham took 6-58 and wicket keeper Bob Taylor held seven catches as England dismissed India for 242 in the Jubilee Test in Bombay. England had reached 3—0 in reply by the close.

Unhappy hooker

A Japanese angler who hooked a gold bar then gave it to the Government to stop people pestering him for money saw it auctioned for $320,000 (£139,737).

Briefly . . .

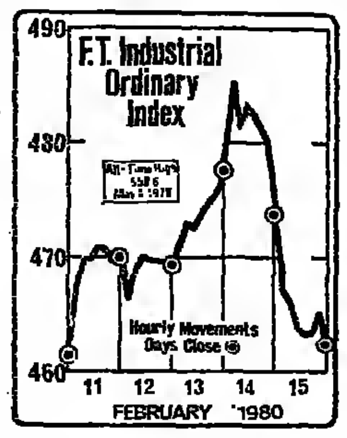
One prisoner was killed and several injured when jailers fired on rioters at a Lucknow, India, prison.

The fourth dead whale in a week was washed ashore on the South Coast.

BUSINESS

Equities 11.3 off; £ down 1.75c

● EQUITIES trading in a thoroughly depressing session



took the FT 30-share index down 11.3 on the day to 462.6, for a net gain of just 1.2 on the week.

● GILTS also suffered, and the Government Securities index fell 0.95 to 66.02.

● STERLING lost ground following news of the visible trade deficit rise for January and U.S. discount rate increase. It finished at $2.2955, a loss of 1.75c. Its trade-weighted index fell to 73.0 (73.3). DOLLAR traded quietly and rose to DM 1.7415 (DM 1.7360). Its index improved to 85.3 (85.2).

● GOLD fell $9 in quiet London trading to close at $658.

● WALL STREET was 12.20 down at 881.57 near the close.

● U.S. SYNTHETIC FIBRES will be subject to import curbs to protect the UK market, following a European Commission decision. But the ruling excludes carpet yarn. Back Page

● BNOC is expected to fix a new North Sea oil "marker" price of about $33.75, an increase of $4 a barrel over the January rate, early next week. Page 3

● UK OIL CONSUMPTION is down 5 per cent on last year, according to Shell and Esso. Back Page

● FLOOD DAMAGE last December cost UK insurance companies £25.5m. Some £18m of this was paid out in South Wales. Page 3

● SWISS Government is planning to purchase British guided missiles worth about £200m. Back Page

● ALCAN ALUMINIUM, the Canadian-controlled concern, reports profits for 1979 well down at £6.1m (£10.9m). Page 16; Lex, Back Page

● BLACKWOOD MORTON and Sons (Holdings), carpet manufacturer, incurred a pre-tax loss of £479,337 for the six months to December 31, 1979, compared to a taxable profit of £227,116 for the same period in 1978. Page 16. The group is to close its spinning and weaving plants at Liversedge, West Yorkshire, with 300 redundancies. Back Page

● WEDGWOOD pre-tax surplus fell from £6.28m to £4.56m in the 39 weeks to December 29, 1979. Page 16; Lex, Back Page

● BROKEN HILL PROPRIETARY, Australia's sole steel producer, boosted group profit by 65 per cent to A$147.5m (U.S.$163m) in the six month ended November 1979. Page 19

● UNIVERSITY ATLAS CEMENT division of U.S. Steel is to be sold to Heidelberger Zement for more than $100m.

● WATER WORKERS in the GMWU have decided to defer a national strike pending the outcome of new pay talks next week. Back Page

● BL UNIONS drew back from industrial action on pay after the company refused to improve its offer. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Foster Bros.	100	+ 10
Polly Peck	16	+ 3
Samathan	163	+ 11
Vogels	140	+ 15
FALLS		
Excheq. 14pc 1984	£95½	— ½
Treas. 12¾pc 2003-05 A (£70 pd.)	£66½	— 1½
Alcan Aluminium	100	— 7
BAT Inds.	235	— 10
BTR	336	— 11
Bell (A.)	172	— 6
Blackwood Morton	20	— 5
Blue Circle	306	— 14
British Home Stores	272	— 14
Common Bros.	295	— 7
Ferranti	500	— 17
Fisons	289	— 13
Freemans (London)	122	— 10
GEC	375	— 10
Glaxo	243	— 8
GUS A	384	— 14
Land Secs.	290	— 14
Law Land	67	— 5
Plessey	136	— 6
Rank Org.	217	— 9
Samuel Prop.	113	— 6
Status Discount	60	— 8
Trafford Carpets	20	— 3
Tube Inv.	302	— 10
United Scientific	470	— 13
Cambridge Petrolm.	273	— 20
Shell Transport	368	— 10
Guthrie	810	— 23
London Sumatra	423	— 17
Conzinc Riotinto	335	— 21
EZ Inds.	380	— 30
Mount Lyell	144	— 11
North. Kalgurli	65	— 7
RTZ	460	— 8
Rustenburg	278	— 14

Retail prices up again and inflation heads for 20%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The annual rate of retail price inflation jumped sharply last month, and now appears to be heading for a peak of at least 20 per cent by the early summer.

This follows a marked deterioration in the inflation outlook in the last two or three months, both in the UK and abroad (especially the U.S.), after the recent further large increases in oil and other commodity prices.

Department of Employment figures published yesterday show that the retail prices index rose by 2.5 per cent to 245.3 (January 1974=100) in the month to mid-January. This principally reflected the rise in the mortgage rate, increases in food prices and several public sector charges.

The rise took the 12-month rate of increase up to 18.4 per cent. This is the highest rate since April 1976, and compares with 17.2 per cent in December and 9.3 per cent a year ago. The UK's inflation rate remains well above the international average.

Moreover, there are big price rises in the pipeline over the next few months, notably a further large increase in public

sector charges, higher local authority rent and rates in April and whatever price changes result from the March 26 Budget.

The rises are likely to be sufficient to push the 12-month rate up to 20 per cent by April or May. But the rate could drop in July as the big price rises resulting from last June's Budget disappear from the comparison.

The view of most analysts is that there should not be a runaway acceleration of the 1974-75 kind, because of the monetary squeeze, the rise in sterling and the recession. But the underlying rate of increase may show little improvement in view of the high level of pay settlements and the continuing rise in oil prices.

Consequently, the 12-month rate is expected by many economists to be between 15 and 17 per cent at the end of this year. A slightly favourable view of the underlying trend is presented by the index for all items except seasonal foods over the last six months. This now excludes the big rise in the index last July after the Budget, and, expressed at annual rate, it stood at 14.5 per cent last month.

There is little comfort for the Government either in its special tax and price index which is intended to adjust the retail price index for the impact of direct tax cuts. The new index rose by 16.1 per cent to 128.2 (January 1978=100) in the year to January, compared with 14.9 per cent previously. This shows the rise in gross pay needed by the average tax-

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UK set for big trade deficit as demand lags

BY DAVID MARSH

BRITAIN'S DEFICIT on the current account of its balance of payments increased last month, mainly as a result of increased silver imports during the New Year price surge on bullion markets. The underlying picture for the current account continues to show Britain heading for another large deficit this year—in spite of near balance in its oil trade—with exports generally depressed by the strong pound and the growing world recession.

One of the few bright spots for the UK trade balance contained in yesterday's Department of Trade statistics was an underlying fall in imports of manufactured goods last month compared with the high level in the final 1979 quarter. But this is partly due to the economic downturn at home, which is already reducing demand for both domestic and foreign made goods.

The steel strike is thought to have had little impact on the January trade figures.

The current account deficit in January is estimated at £296m, on a seasonally adjusted basis, well above the shortfall of £202m in December, which was substantially revised from the figure issued last month of only £22m.

The revision of the December deficit was caused by additional imports of North Sea oil equipment as well as a change in the Department's seasonal adjustment mechanism.

The current account deficit for the whole of last year is now put at £2.5bn. £80m more than estimated last month.

The Treasury's official estimate for the deficit for the whole of this year is £2bn — although this may be revised as a result of forecasting work going on as part of the Budget preparations.

The gloomy current account figures helped depress the pound against a generally buoyant dollar on foreign exchange markets yesterday. Sterling closed at $2.2955, down almost 2 cents from overnight $2.3130, with its trade-weighted index falling to 73.0 from 73.3.

Exports rose 2.8 per cent last month compared with December to £3.88bn, with much of the increase accounted for by precious stones. Imports were up 5 per cent to £4.22bn, leaving a visible trade deficit of £346m, offset by an estimated surplus of £50m on invisibles.

About three-quarters of the £200m increase in imports was due to silver bullion. The UK had a deficit in oil trade of £71m, down slightly from December.

Export volume, excluding the more erratic items—ships, North Sea installations, aircraft and precious stones—was below the level of recent months, with particular weakness in chemicals.

Import volume, excluding erratic items, fell back to the levels of previous months, partly as a result of the sluggish domestic economy.

Table Page 4

Strike threat by Welsh miners

BY ROBIN REEVES, WELSH CORRESPONDENT

South Wales miners now seem virtually certain to join steelworkers in an all-out strike a week on Monday aimed at preventing the threatened rapid rundown of the Welsh steel and coal industries.

The confrontation threat emerged from joint meeting in Pontypridd yesterday between Welsh miners' leaders and the strike committees from the Port Talbot and Llanwern steelworks, where the British Steel Corporation plans to halve production to 2.75m tonnes with 11,300 redundancies. This cutback, together with BSC's increased imports of coking coal, also threatens pit closures and major job losses in the Welsh coal fields.

The Port Talbot committee, representing 15 unions at the plant, told the miners' representatives that, even if the pay issue was settled, they would remain on strike until they established job security.

The delegates from Llanwern will meet tomorrow to decide whether to adopt the same course of action. Mr. Emlyn Williams, the Welsh miners' president, and other members of his executive are being invited to Llanwern to attend the discussions.

The final go-ahead for an all-out miners' strike on the closures issue will be given by a conference of delegates representing South Wales's 30,000 miners in Porthcawl next Wednesday.

The following Monday, February 25, is being canvassed as the probable date for the start of action.

Mr. Williams has already said that once the strike starts the miners will seek to spread it to other parts of the UK. This would be in line with the NUM's official policy of resisting all pit closures, except where coal reserves are exhausted.

Even so, the miners' move represents a breaking of the ranks agreed within the Wales TUC which has been urging restraint to allow TUC leaders nationally to press for a

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For latest Share Index phone 01-246 8026

Fed raises discount rate to record 13%

BY STEWART FLEMING IN NEW YORK

THE U.S. Federal Reserve Board raised its discount rate from 12 per cent to a record 13 per cent yesterday amid fears within the Carter Administration that inflation could be accelerating to a 17 per cent annual rate.

The Fed move came within an hour of a Labour Department announcement that the Wholesale Price Index jumped by 1.6 per cent in January, the biggest monthly increase in five years and the equivalent of a 19.2 per cent annual growth rate.

In the wake of the Labour Department announcement, some Administration economists warned that when January's Consumer Price Index (CPI) is announced next Thursday it could indicate an annual rate of increase of about 17 per cent. There are fears that unless house prices fall this rate of consumer price inflation could continue for months.

Last year the CPI rose by 13 per cent. The Carter Administration predicts a rise of around 10.4 per cent this year. Behind the forecasts of an acceleration are the rising price of oil and sharp increases in housing mortgage rates. These are heavily weighted in the CPI.

If inflation does accelerate to this extent it will pose a serious political problem for President Jimmy Carter. He has steadfastly opposed mandatory wage and price controls while Senator Edward Kennedy, his main rival for the Democratic Party nomination, has espoused them. The President's Republican challengers could also be expected to use the inflation rate to attack the Administration.

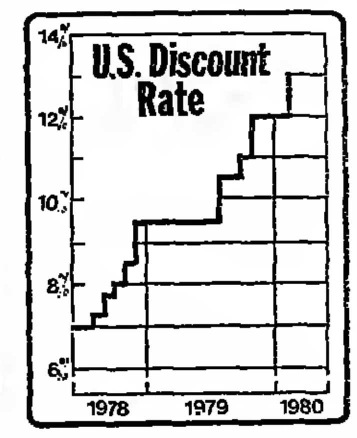
It will probably not be enough for the Administration to argue that the CPI exaggerates the underlying rate of inflation because of the over-weighting of housing. Also, the Central Bank's move and higher interest rates expose to the President to attacks that his policies are courting a deeper recession and rising unemployment.

The change in the discount rate and the sharp rise in the Wholesale Price Index sent a shiver through Wall Street. The Dow Jones industrial average slumped by 10 points in the first 10 minutes and by almost 13 points at 1.30.

On the bond markets, which have suffered their sharpest declines in modern U.S. financial history this year, Bond prices slumped again. For the first time the U.S. Treasury's new 30-year bond, issued last week, recorded a yield of over 12 per cent as the price slumped two points to 97.

Money and commodity markets also reacted sharply to the Fed's move. Within hours of the announcement one major commercial bank, Wells Fargo, California, announced an increase in its prime rate to 15½ per cent from 15¼ per cent.

As they watched the reaction in the money markets, where short-term interest rates rose by as much as 60 basis points (there are 100 basis points in a percentage point), analysts predicted that the prime rate increase would probably spread through the banking industry.



In announcing the rise in the discount rate the Fed said that it "has been concerned that recent economic developments, including the large increase in the price of imported oil, are adding to inflationary pressures and may lead to further destabilising pricing decisions. These developments underscore the need to take such measures as may be required to maintain firm control over the growth of money and credit."

In recent weeks the markets have been registering growing anxiety about the ability of the Federal Reserve's monetary policy to combat inflation. In part this has been because of evidence that the economy is still performing more strongly than expected.

There was further evidence of this yesterday in the announcement from the Fed that industrial production in January rose by 0.3 per cent after increases of 0.1 per cent in December and a decline of 1.0 per cent in November.

Fed sounds the alarm; Wall Street, Page 5

£ in New York

—	Feb. 14	Previous
Spot	$2.3080-3090	$2.3065-5075
1 mth	0.70-0.65 dis	1.04-0.99 dis
3 mths	1.84-1.79 dis	2.14-2.09 dis
12 mths	4.50-4.35 dis	4.85-4.75 dis

Soviet oil policy 'hit by errors'

BY DAVID SATTER IN MOSCOW

SERIOUS errors in Soviet oil production practices and petroleum policy may lead to a decline in output within a few years, according to a leading Russian energy expert.

Dr. Alexander Krylov, an oil specialist at the Academy of Sciences, warned that the Soviet Union—the world's biggest oil producer—is running the risk of allowing "serious errors which will need much time and great expense of resources and labour to correct."

Dr. Krylov's conclusions, which have been described by Western diplomats in Moscow as a "severe critique" of Soviet oil production practices, were published in Eko, the magazine of the Academy of Sciences' Siberian branch.

The conclusions echo—for the first time—the U.S. Central Intelligence Agency's estimates that the Soviet Union will become a net importer of oil by the 1980s. Russia now exports 3.1m barrels of oil a day.

They come at a time when Soviet officials, who have dismissed the CIA estimates, are placing greater stress on the need to use imported technology in oil extraction, and the political crisis over the Soviet invasion of Afghanistan has put the availability of this technology in doubt.

Dr. Krylov argued that recent increases in production had been achieved by drilling a larger number of holes into the same oilfield and pumping water into the field to sustain the rapidly depleting flow of oil. This cut the life of each borehole.

He said that the wastefulness of this policy could lead to the "unjustified and premature lowering of the efficiency of oil output," as wells yielded less than their full capacity.

Soviet oil production last year reached 586m tonnes, 7m tonnes short of its target. Oil production this year is targeted to reach only 606m tonnes, far short of the goal of 620m to 640m tonnes set four years ago.

Mr. Vladimir I. Dolgikh, the Central Committee secretary in charge of heavy industry, wrote in a recent issue of the journal Partinaya Zhizn that increased Soviet oil production in the 1980s using present techniques would require hundreds of thousands more drillers at a time when the Soviet labour force was shrinking.

BNOC price rises, Page 3

OVERSEAS NEWS

European Parliament in tough line on Olympics

BY JOHN WYLES IN BRUSSELS

PRESSURES on EEC Governments to endorse e boycott of tha Moscow Olympic Gamea were stepped up yesterday when MEPs in the European Parliament in Strasbourg produced substantiel majorities for two toughly-worded resolutiona releting to the Afghanistan question.

Apart from the celling for a boycott of the Olympics, the Parliament urged a ben on EEC salaa of aurplus agricultural produce to Russia and condemned the Soviet authorities' treatment of Andrei Sakharov, tbe dissident Soviet physicist.

The resolutions point to a growing hawkishness among the Centre-Right majority in the essembly. This seems bound to be noted by EEC Foreign Ministers at their political co-nperation meeting in Rome next Tuesday, wbeo the Community is expected to isaue its first cerefully-considered response to Soviet actions.

The meeting may bring agreement among member states that the Soviet inlerrention in Afghanistan is a severe blow to detente end means some revision in the principles upon whicb Western Europe's relations with the Soviet Union are based.

Although some governments are far from enthusiastic ebout recommending an Olympic boycott, it is now generally recognised that, if the U.S. does not participate, Western Europe will need to show solidarity.

However, this does not mean thet other EEC governmeots will be ready on Tuesdey to follow Britein and Holland in urging their ethletes not to go to Moscow. Most are waiting for evidence of public support for the boycott.

Giles Merritt adds: In Brusaela yesterday Chancellor Helmut Schmidt of West Germany werned the Soviet Union thet any attempt to drive a wedge between EEC goveroments and the U.S. over their responses to its intervention in Afgbanistan would be "vain and counter-productive."

Herr Schmidt, in the Belglan capital for talks with M. Wilfried Martens, the Prime Mioister, underlined tbe need for the Nine to maintain solidarity witb the U.S. and cautioned the Soviet Union against using "threats or enticements" to divide EEC goveroments from tbe U.S. On the question of a boycott of the Olympic Games, however, be made lt plain that the EEC wes under no pressure to reacb a rapid decision.

David Bnchan reports from Washington: An interoational under-cover operetion bes been set up to snare traders who might try to sell American grain to the Soviet Union in contravention of President Carter's recent embargo, eccording to Mr. Bob Bergland, the U.S. Agriculture Secretary.

Mr. Bergland revealed this week thet the Administration had a "sting operation going." and that it was an international effort. But be could not say more because it was "really super-high, secret stuff."

"Stiog" operationa, in which police pose as corruptors or receivers of stolen gooda or middlemen in illegal actions, are much in vogue in the U.S. at tha moment. The FBI this week announced the end of a successful under-cover operation probing into illegal pornography rackets, in eddition to its recent political corruption probe that has allegedly involved eight Congressmen.

Mr. Bergland did not say where exactly the grain "sting" operation was targeted, but noted the simplest diversion of U.S. grain to the Soviet Union was through Western Europe.

Mr. Carter last month banned the sale of aome 17m tons of U.S. grain to the Soviet Union in the current yaer in retaliation for the intervention in Afghanistan.

Agencfes edd: Tbe CIA is reported to have opened a aecret supply line to funnel small arms and anti-tank weapons across the Pakisteni border to Moslem rebels fighting inside Afghanistan.

The Washington Post yesterdey quoted unidentified sourcea as saying the U.S. atarted supplying weepons to the enti-Communist rebels after the Soviet Union began pouring en estimated 90,000 troops into Afghanistan before Cbristmas.

Prior to the Soviet military intervention, the U.S. secretly supplied the rebels with small amounts of medicine and communications equipment, the newspaper said.

Mr. Babrak Karmal, the Afghan Preaident, la believed to be busy reconciling differences within hia Cebinet, according to diplomats in Kabul. The Cabinet contains three major factions: the Khelq (People'a) party, Mr. Karmal's own Parcbam group end the Army.

U.S. seeks sites for rival Games

BY DAVID BUCHAN IN WASHINGTON

A RIVAL international games this summer with events beld in a number of countries is the elteroetive to the Moscow Olympic Games which the U.S. is now most activcly exploring.

State Department officiels said yesterday Britain was one of the countries the U.S. is sounding out. Mrs. Mergart Thatcber, tbe British Prime Minister, bas supported President Carter'a call for a boycott of the Cames. The officiala stressed though, that it was for sports federetions, not governments, to decide wbicb countries migbt bost wbicb events of a rival "Olympics."

Another U.S. option—to speed up building of the 1984 Los Angeles Olympic site to bold aome gemes there next yeer—has receded, because goveroments taking the same line as the U.S. towards tbe Moscow Games want some sort of games to take place this year, and would also like the political kudos

Earlier this week, the International Olympic Committee rebuffed President Carter's request for the summer games to be moved away from Moscow, and said they sbould go on as planned. Tbe U.S. Olympic Committee bas said since lt will go along with President Carter's wishes but will not make a formal decialon for two months. Under Olympic rules participants have to be entered by their nationel Olympic committee.

Poland's premier to get hearing

BY CHRISTOPHER BOBINSKI IN WARSAW

MR. PIOTR JAROSZEWICZ, wbo resigned es Poland's Prime Minister this week, will meke an appearance at a special meeting of the Polish Parliament next week to defend his record.

His eppearance in Parliament, when a successor will be chosen, will be almost unprecedented in eastern Europe, where politicians who have left office are rarely heard from again.

Mr. Jaroszewicz resigned his top Government post and his party duties and decided to retire after speeches criticising the way the Government had been bandling the economy were delivered at the eighth Communist Perty congress, which ended here yesterday.

The resignation was handled tactfully by Mr. Gierek, the Polish leader. In his closing speech at tbe congress, He underlined thet botb he and tbe former Prime Minister had struggled to solve Poland's serious economic problems, deflecting some of the harsh criticism

Mr. Gierek's comments, and the fact that the former Prime Minister will speak next week, may be the result of a compromise which persuaded Mr. Jaroszewicz to step down.

Mr. Edward Babiucb, who is Mr. Gierek's closest political associate, ia expected to fill the vacant top Covernment post.

However, the demotioo from the Politburo yesterday of Mr. Stefan Olszowski, who bas been in cbarge of the economy on the party side, end wbo ls thougbt to bave been critical of the way the economic situetion was being bandled by the Government, suggests tbat the leadership is interested more in consolidation than in radical change.

Bargaining continues over Iran hostages

By Our Foreign Staff

BARGAINING continued yesterdey between the United States and Iran over terms for the releese of the 50 American hostages held in the U.S. embassy in Tehran. Despite signs of progress, there were conflicting accounts of the conditions which Iran would accept.

In Rome Mr. Sadeq Qotbzadeh, Iran's Foreign Minister, said the UN-sponsored International commission to investigete cbarges against the deposed Shah might be formed "within a few bours," but the American hostages in Tehran would not be released until the panel had finished its work, according to an Italian news agency.

But Mr. Sean MacBride, a former Irisb Foreign Minister end possible member of the commission, said: "The commission could hardly begin its work until the bostages have been released.

Transfer of the bostages to a third party, perheps a neutral country, has been mentioned as a possible atep.

"Now one is waiting only for their (U.S.) acceptance. For us, the names aren't important. What is important is that the commission is formed." Mr. Qotbzadeh was quoted as aaying

He added: "The hostages will not be freed until the commission makes pnblic its results."

In Paris, Mr. Qotbzadeh told reporters that both Ayatollah Khomeini and the Revolutionary Council hed approved the form of the commission.

In Tehran, Mr. Ali Beza Nobari, the Goveroor of Bank Markazi (the Central Banks), said Iran was demanding that the U.S. release $5bn of Iranian assets frozen in American banks last November. But, be added, the demand was not related to the release of the American hostages.

Simon Henderson adds from Tehran: There is no indication in Iran of any release of the U.S. hostages in the next day or ao.

A political gathering addressed by President Abol Hassan Banl-Sadr in Tehran yesterday was dominated by purely domestic issues. The gathering—the Congress of the Islamic Revolution—is the non-party basis for Bani-Sadr's hopes for support in elections for a Ceneral Assembly planned for March 14. In a two end a-half hour speech he did not mention the bostages once.

In his speech he hit ont at the Kurds in the west of Iran who have been fighting for regional autonomy, and condemned them for instilling separatiats feelings. He also referred to the need to reduce government bureaucracy to Islamicise social, economic and cultural institutiona and encourage a movement of labour from the cities to the countryside

Iran also lodged a strong protest with the United Nations yesterdey over Canada's action in smuggling six U.S. embassy employees out of Tehran lest month.

Turkish army seeks wider powers

BY DAVID TONGE

THE Turkish armed farces yesterday moved a step nearer the political stage wben they asked for increased powers to combat political violence.

"We want our authority increased and punishments increased in order to overcome anarchy," said General Kenan Evren, the Turkish Chief of General Staff.

His remarks came as police commandos carried out a shack-to-shack search in the poorer qnarters of Izmir where hundreds of workers were being held prisoner in a sports stadium. The workers had occupied a factory in protest at he dismissal of 790 of their colleagues for supporting a left-wing union confederation.

The Turkish armed forces carried out a conp in 1960 and in 1971 issued an ultimatum whieb forced Mr. Suleyman Demirel, then, as now, Prime Minister, out nf office. Both interventions came after economic crises, and today a grave economic situation is coupled with worsening political violence.

Mr. Demirel has called for stern measures to deal with state workers who hreak the law, saying "the state cannot feed its own worst enemies." In a circular to all state agencies the Premier has said that any government employee collaborating with terrorists would be dismissed. Seven weeks ago the armed forces issued a stiff warning to the country's politicians to come to grips with "fascism, anarchy, destruction and(a refernce to the Kurds) secessionism."

The death toll in political violence bas long been mounting and is now around 200 peopla each month. There have been clashes between the twn main Islamic sects and concern is growing about pressures fro mthe Kurds who make up around one-sixth of the country's 45m people. But an ominous development is the growing confrontation between the authorities and supporters of the radical trades union confederation.

This has come to a head at Izmir where violence erupted at the large state-run agricultural co-operative, Taris. As part of its policy of appointing its own supporters to all senior posts in the state machinery, the government had changed the management of Taris. The new management tried to obtain recognition for a small militant right-wing trades union movement, threatening 11,000 workers with dismissal.

When the management refused to allow 790 left-wing militants to continue working, the workers seized the factory.

There have been several successes in arresting members of left-wing groupings responsible for part of the violence. But while these are justly persecuted the authorities have heen showing a less even approach to the right-wing militants generally suspected of killing several judges, professors, newspaper editors and leftists. One of the "death lists" found at the turn of the year was in the youth organisation supporting Mr. Alparslan Turke's Natinnalist Actinn Party.

Mr. Demirel has twice made Mr. Turkes his Deputy Prime Minister and now relies on his parliamentary support. He has also appointed a number of fnllowers of Mr. Turkes to senior positions in the state machinery.

Record Danish discount rate

BY HILARY BARNES IN COPENHAGEN

THE DANISH Central Bank yesterday announced an increase in the discount rate from 11 per cent to e record 13 per cent from Monday. It will pusb typical commercial bank lending rates to over 17 per cent.

The hank said that e narrowing of the difference between Danisb and foreign interest rates had caused some nnwinding of business foreign debt and the increase in the discount rate was to encourage a renewed currency inflow.

The rate was last changed on September 17 wben it was raised from 9 per cent to 11 per cent.

An increase in the discount rate bas been expected for several weeks. The krone has been under pressure within the European Mooetary System.

In January there was a foreign exchange outflow of DKr 2.8bn (£225m) one of the largest monthly outflows recorded, although in the official foreign exchange reserve figures the outflow was counterbalanced by a revaluation of gold and foreign currency holdings.

Official reserves at the end of January ectually increased from DKr 16.3bn at the end of December to DKr 17.5bn.

Commercial bank officials interpreted the two point discount rate increase as a signal to the Coveroment to take action soon to prevent e further increase in the balance of payments deficit.

The deficit for 1979 is estimated et about DKr 15bn compared with DKr 8bn in 1978, bringing Denmark's net foreign debt to abont DKr 80bn.

Tha Government introduced incomes policy measures in December, wbich it said wonld reduce the 1980 external deficit to DKr 11-12bn, assuming that tbe average increase in oil prices this year would be about 10 per cent.

As the increase is now expected to be 35-40 per cent, commercial banks bere predict a current deficit this year of DKr 16-18bn, or about 4.5 per cent of the Cross Domestic Product.

Prime Minister Anker Joergensen is planning a package of fiscal measures to be introdnced in April. It is likely to inclnde severe curbs on public spending and increases in indirect taxes.

New bar on Italian Communists

BY RUPERT CORNWELL IN ROME

SIG. BENIGNO Zaccagnini, the ontgoing secretary of the Christian Democrat Party, last night effectively ruled out any move to open the doors of Covernment to the Italian Communist Party (PCI) in the near future.

Sig. Zaccagnini told the much-delayed national Christian Democrat congress, the entry of the Communists into Covernment could only come after adequate agreement on domestic, economic, and, above all, foreign policy issues between the two parties.

It is generally expected that the Congress will come up with a formula calling for close co-operation with the PCI, bnt stopping short of sanctioning Cabinet representation.

The problem of a successor to Sig. Zaccagnini is wide open at the moment. Final decisions will only emerge from intricate negotiations between party fections.

His most probeble replacement saems to be either Sig. Flaminio Piccoli, now the party's president, or Sig. Arnaldo Forlani, the former Foreign Minister.

Pressure on the congresa heightened this week when the Socialist Party announced thet its perliamentary abstention, on which Sig. Cossiga depends, would end with the congress.

But the Socialists are still split between those who want to bring down Sig. Cossiga immediately and e faction which believes lt would be perilous to provoke elections this summer.

President Pertini said yesterday he would only accept the Prime Minister's resignation if his government was brought down by e Parliamentary vote of no confidence.

● Rome'a first underground railwey goes into service today. The new 15 km line, with 22 stations, runs from the city's southeastero edge through the centre to the northwest. Its cost has risen from an initial estimate of L43bn (£25m) in 1963 to well over L400bn (£220m) at today's prices.

Army call-up in Rhodesia

BY BRIDGET BLOOM IN SALISBURY

SEVERAL thousand white Rhodesian army reservists reported for military duty yesterday as police bunted those responsible for e wava of bomb attacks in Salisbury.

Rhodesian security officials believe the call-up is necessary to curb escalating political violence as the British colony prepares for pre-independence elections on February 27-29.

The police said they believed that four bombs planted in the capital on Thursday night had been the work of one group, but the group's identity was not known.

The two netionalist parties led by Mr. Joshua Nkomo and Mr. Robert Mugabe denied allegations that their supporters were responsible for the attacks, and suggested in turn that the Rhodesian security forces were aiming to discredit Mr. Mugabe'a party.

But the capital remained tense last night.

Carrington seeks action over lamb

THE BRITISH Government yesterday stepped up pressure on the EEC Commission with a letter from Lord Carrington, tha Foreign Secretary, demanding urgent action against illegal French curbs on British lamb imports, writes Margaret van Hattem in Brussels.

In his letter to Mr. Roy Jenkins, the Commission president, Lord Carrington is believed to have stressed British concern about the issue, and asked that the Commission seek an interim injunction from the European Court of Justice to stop the curba, pending e second and possibly a third court case on the dispute. Britain claims the French action is costing the UK around £10m a year. Tha Commissioners are scheduled to decide whether to seek an injunction at their weekly meeting next Wednesday.

EEC sugar levy

EEC suger exporters will be charged a levy of 6.05 ECU/100kg from next Monday, writes our Brussels staff. This follows sharp rises in world sugar prices to levels above the Community "threshold" price.

Norway oil tax

Oil companies operating nn Norway's continental shelf have been invited to comment on tax proposals thet would raise the state "take" from offshore oil and ges production to an average of 80 to 85 per cent, from about 70 per cent at present, writes Fay Gjester in Oslo.

The proposals, an attempt to mop up some of the profit windfall to companies due to oil price rises will go to the Storting (Parliament) by the end of March, and apply to company earnings from January 1

Egypt-Israel air link

Israel'a national airline El Al will begin twice-weekly flights to Cairo on March 3 for a round-trip fare of £73.50, AP reports from Tel Aviv. Thia follows Thursday's signing in Cairo of an air transport agreement between Israel end Egypt under the terms of their peace treety.

David Lascelles in New York reports on a purge in a gambling paradise

The chips are down for Atlantic City

A CLOUD of suspicion has settled over Atlantic City, New Jersey, tbe faded East Coast resort tbat was reborn two years ago es the only place outside the state of Nevada where Americans could enjoy a spot of casino gambling.

Amid highly-publicised allegations of crime and corruption, Governor Brendan Byrne bas stepped into the breach with sweeping proposals to purge the casino control authorities and make it much barder for casinos to open their doors.

He will have to get these proposals approved by the state legislators. But these worthy folk are, by all accounts, so sbocked by what bas bappened that they will say "Aye" as quick as a croupier scoops up his chips.

In the sbort term Mr. Byrne's tough proposals could deal a aerious blow to the fledgling casino industry by reviving the vigorous anti-gambling lobby which has bitterly opposed the casinos from the start. It could also binder moves to allow gembling in neigbbouring New York state, where casinos are among the proposals to revive the fortunes of ailing New York city.

In the end, the new regime is bound to make life tougher for gambling companies which have been piling into Atlantic City for a sbare of what must be one of the most lucrative legitimate businessea on the East Coast. Mr. Tony Hoffman, a Wall Street analyst with Bache who follows gambling stocks, estimates tbat business there is already worth over $600m a year, with plenty of demand still unsatisfied.

By no means all this money, tbough, chenges bands in the smoke-leden atmosphere of the gaming tables. Resorts International, the first casino to open in Atlantic City, gets most of its money from slot mechines wbich take a maximum $1 at e time

Not that New Jersey rushed into casino gambling. The idea was kicked around for many years before the State Legislature decided to give it the go-ahead in 1977, mainly on the grounds that it would bring prosperity back to Atlantic City, whose days of glory (enshrined for ever in the American version of Monopoly) were long past. It was also argued that gambling would provide employment and yield large tax revenues which could be put to good uses

But to cope with the crime and corruption that was bound to go with it, the State also set up a policing system which was intended to be considerably more rigorous than in Nevada.

A Casino Control Commission, consisting of e full-time chairman and four part-time commissioners, was established to investigate all licence applications and probe the hackground of all casino executives and employees. To ensure that no outside pressure was put on the business, the Commission scrutiniaed the casinos' suppliers as well.

Furthermore, to keep out the fly-by-nights, licences were only to be granted to casinos attached to an hotel with 500 first class bedrooms, which basically meant that operators would have to invest well over $100m just for starters.

But all these precautions have apparently failed to keep corruption at bay, though ironically it is the regulators and not the casino operators who are elleged to have erred.

Tha crisis waa triggered by a long-standing FBI investigation of influence peddling at the State and Federal level. Posing as businessmen or wealthy Arabs, FBI agents claim to have implicated a number of senior New Jersey politicians in casino licensing deals. So far these ere only allegations, and no cbarges bave been filed.

But there has already been one notable casualty in the shape of the vice-chairman of the Casino Control Commission, Mr. Kenneth MacDonald. He resigned earlier this month after the FBI said he had beeo present wben agents handed over $100,000 in cash to Mr. Angelo Erricbetti, a state senator. Tbe Senator, wbo is also Mayor of Camden, allegedly told the agents he and Mr. MacDonald could "deliver" two casino licences.

When these allegations came out in the first week of Februery, Governor Byrne was understandably alarmed about what it would do to the State's casino industry. But as the full extent of the FBI'a inquiry emerged, it became obvious thet something drastic was needed to restore confidence

Saying that he wanted to ensure that hotels and banks continued to invest in Atlantic City, Cov. Byrne said gambling there was "honest, and I intend to keep it honest."

And so It was that this week he came out with his plan to get casino gambling back on to the straight and narrow.

His main proposal was to abolish the Casino Control Commission in its present form and to reconstitute it with five full-time commissioners. This move is, in many people's view, long overdue.

The other big change proposed by Gov. Byrne is the abolition of "temporary" licensing, a practice which many critics hold to be the key to Atlantic City's ills.

In order to get Atlantic City moving, New Jersey dcided to let casinos open up with temporary licences issued after only cursory investigation. Full licences were to be issued up to a year later when the full investigations had been completed. Not surprisingly, this made it considerably easier for casino operators to secure start-up clearance.

Under the new regime, casino operators will have to undergo the full grilling before they can open op their doors. But abolition of the practice will cause considerable headaches for both the casino industry and its watchdogs.

Of the three casinos currently in business, only one, Resorts International, has a full licence.

Similarly, a nnmber of would-be casino operators who were counting on a spot of cash-flow before long may be forced to ask their banks for more money to tide them over these new delays.

And there are elready signa tbat the banks will hold back until the corruption chargaa have been cleared up This belped push gambling stocks down on Wall Street last week.

But in the longer term the Certainly Wall Street bas its doubts. Shares in gambling companies have weakened this sbake-up will probably do them good, providing New Jersey does not vote to abolish gambling altogether, which is unlikely. A thorongh purge, some feel, could help bring some stability to an industry thet is hard-pressed at the best of times.

The one-armed bandits take a good slice of the money.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

UK NEWS

BNOC lifts price to $33.75

BY RAY DAFTER, ENERGY EDITOR

BRITISH NATIONAL Oil Corporation is expected to fix a new North Sea oil "marker" price of around $33.75—an increase of $4 a barrel over the January rate—early next week.

According to industry reports companies controlling the majority of UK oil production have told BNOC that they want North Sea prices to rise in line with those for competitive African oil, particularly Nigerian oil which recently went up $4.21 a barrel to around $34.

BNOC yesterday began to send telexes to other UK oil companies specifying the new marker price, based on Forties Field crude oil. The price rise will probably be backdated to February 1.

British Petroleum has already set the pace. On Tuesday group affiliates were told that oil traded within the company was being priced on the basis of a $33.75 reference.

In previous months BNOC has taken the pricing lead by recommending increases to other suppliers. This month, however, it adopted a different tactic and asked other companies to estimate the market level for North Sea oil. The Government has supported the Corporation in this move because it can be demonstrated that the industry—and not the state-owned BNOC — is establishing new prices.

BNOC's future role in both oil production and trading has still to be clarified. Ministers and officials within the Energy Department and the Treasury are pressing ahead with plans to split the corporation and to invite private shareholding into the exploration and production side of the organisation.

However, the process is proving to be more complicated and time-consuming than first envisaged. There are now some doubts about whether the necessary legislation can be introduced in time for BNOC to be reorganised in this parliamentary session.

It is understood that Ministers have set themselves a time limit of three to four more weeks to introduce legislation. Even if they succeed it could be another six months to a year before the full reorganisation process is accomplished. Corporation officials have pointed out to Government officials that the change from a state-owned to joint stock company would necessitate the renegotiation of offshore deals with dozens of other companies.

As it stands Mr. David Howell, Energy Secretary, is keen to keep BNOC's oil trading operation under state control and to introduce private capital into the oil exploration and production business. This "privatised" wing of BNOC would be the vehicle for expansion in oil exploration areas in the UK and abroad. In time it might also become involved in refinery and chemical operations.

One of the issues that has still to be settled is whether the state interest in the joint stock company would be held by the Treasury, by the Department of Energy, or by BNOC's trading operation.

How to weaken OPEC's grip

OIL SALES from the Organisation of Petroleum Exporting Countries are likely to account for a much smaller share of world energy supplies over the next few years. But this will not stop oil prices rising.

These are among the conclusions of stockbrokers Wood, Mackenzie in a report* on world energy trends and their impact on major oil companies. The 77-page report says that from the consumer point of view it is clear that a more concerted effort must be made to increase non-OPEC energy supplies and to increase energy efficiency.

"This could have a remarkably quick impact on weakening OPEC's apparent stranglehold over the Western economies albeit at the expense of a low economic growth rate," state the authors, Carol Ferguson and Tony Mackintosh.

Wood Mackenzie has assumed that Gulf crude oil will cost an average of $31 a barrel this year, $35 in 1981 and $38 in 1982.

OPEC's share of non-Communist world energy supplies has fallen significantly in recent years. The trend is likely to continue. In 1973, OPEC accounted for 35.5 per cent of free world supplies. By 1978 its share had fallen to 31.6 per cent. The brokers forecast that by 1983 OPEC could be providing only 26.5 per cent of total energy supplies.

OPEC producers still have the capability of trimming their output to maintain a tight energy supply balance and to keep pressure on prices. OPEC output in 1983 could be 27.5m barrels a day as against 30.9m b/d in 1973. OPEC output could be cut to 20m b/d before encountering undue financial pressures, Wood Mackenzie points out.

FREE WORLD ENERGY BALANCES
(m. barrels/day oil equivalent)

	1968	1973	1978	1983	1978-83 annual growth rate %
DEMAND	67.9	87.0	94.4	103.6	+2.1
SUPPLY:					
Coal	16.4	15.4	16.1	20.5	+5.0
Nuclear/Hydro	5.1	6.7	9.7	13.2	+6.3
Natural gas	12.8	16.7	17.1	19.3	+2.5
OPEC oil	18.8	30.9	29.8	27.5	−1.5
Non-OPEC oil	14.4	17.3	19.1	23.1	+3.9
Eastern bloc exports	0.4	0.8	2.1	1.0	−13.0
Stock (build)/draft	—	(0.8)	0.5	(1.0)	NA
TOTAL SUPPLY	67.9	87.0	94.4	103.6	+1.9

Source: Wood, Mackenzie

The study shows that the Royal Dutch-Shell Group and Exxon are strong in key energy areas. British Petroleum "has made up ground" and overtaken its competitors in non-OPEC oil production but is considered to be relatively poorly placed in most other areas and particularly weak in natural gas production.

The Oil Majors After the Latest Crisis; Carol Ferguson and Tony Mackintosh. Wood Mackenzie, 68-73, Queen Street, Edinburgh; £100 ($250).

No aid for optic fibre industry

BY ELAINE WILLIAMS

THE GOVERNMENT has abandoned a plan to support the development of opto-electronics in the UK.

Optoelectronics is the use of hair thin strands of glass fibre for telecommunications and other applications. It is considered to be a major growth area for electronics in the 1980s.

Optic fibres are forecast to replace the very expensive copper cables which link telephones in the public telecommunications network. They will be cheaper, lighter, and smaller. A single strand can carry more than 1,000 simultaneous telephone calls.

The request for funding for optoelectronics was made last year by the National Economic Development Office's electronic components sector working party to the previous Government, which was believed to be considering between £10m and £20m to support the industry. But the change of Government put the whole scheme under review.

The *Industry Department* has said there are various support schemes which could be used by electronics companies — notably Standard Telephones and Cables, the General Electric Company and Plessey—if they wanted to develop specific products.

STC does not appear too upset by the lack of Government support. It has recently received £2m worth of orders from the Post Office for the installation of several optic fibre systems in the public telephone network. Plessey and GEC have had similar orders.

BL plan for new Rover makes good progress

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

PLANS for the next generation of Rover saloons, code-named Bravo, are well advanced.

The four-door version of the car, which BL Cars sees as its flagship for the mid-1980s, is scheduled to be ready for production by autumn, 1983.

Although it is a new car, the cost of introduction should be considerably lower than that of the current Rover, for which a new assembly hall was built at Solihull, Birmingham.

The principal cost will be in redesigning the body work and superstructure of the car. The company believes that many of its components, and certainly the V8 and four-cylinder engines, can be developed for use in the new car.

It will be a smaller vehicle than the present Rover, with the emphasis on fuel economy, while maintaining performance. A smaller-engined version is also likely to be offered.

Senior management at BL says that although collaboration with an overseas partner would be valuable, the Rover project illustrates that future model development need not be prohibitive. But first the hurdle has to be overcome of financing the Mini Metro—scheduled for October—and the LC10, the middle-range car due in 1982.

REJECTED

BL last night firmly rejected the conclusion drawn from a report by Eurofinance, management consultants commissioned by the Transport and General Workers' Union, that the company is "ill-equipped to compete effectively on its own."

Eurofinance, in a background paper preceding its main report to the TGWU on the recovery plan drawn up by Sir Michael Edwardes, the BL chairman, says: "Rebuilding the product range and dealer network, and hitting quality and delivery targets, would not alter the fact that the odds are heavily against BL (on its own) in the longer term. The company needs a partner, or partners."

The TGWU remains opposed to the rationalisation plan drawn up under Sir Michael Edwardes. Mr. Moss Evans, the general secretary, has supported the highly critical document which led to the dismissal of its author, Mr. Derek Robinson, the Longbridge convener.

The union is likely to decide in the next month whether to maintain its stance and put forward an alternative strategy.

£25.5m in flood damage claim

BY ERIC SHORT

THE SEVERE flooding in South Wales and South West England at the end of December has cost UK insurance companies £25.5m according to figures issued yesterday by the British Insurance Association. About £18m of this sum was payed out in South Wales.

The BIA said about 20,000 claims had been received by the insurance industry involving damage to buildings and contents for both domestic and commercial property. So far at least three-quarters of these claims have been settled. The remainder are being delayed for one reason or another, primarily to ensure that the houses concerned are completely dried out before repairs are undertaken.

However, this figure by no means represents the total flood damage incurred on December 27 and 28 in Cardiff, the surrounding valleys and in South Devon. The figures also do not include losses suffered by people who were not insured or losses suffered by motorists.

The inner residential area of Cardiff was badly affected by the flooding, as well as the surrounding villages, including Trehafod in the Rhondda valley. The local BIA in South Wales estimates that about one in three houses in the flood area had no contents cover.

The Government owned National Sports Centre in Cardiff suffered damage estimated at £750,000 and was not insured.

There has been considerable public criticism over the lack of Government aid to the affected areas. The EEC emergency aid fund has contributed £250,000. The Government, however, said it will meet 75 per cent of the damage costs over the level produced by a 1p rate levy.

The Sun Alliance Group, the largest household insurer in the UK, has about £3m claims against it, General Accident about £2½m and the Royal £2m. Other major insurance companies ranged from £750,000 to £1½m.

In the thick of it . . . Mrs. Thatcher went walkabout on a visit to Salisbury yesterday and soon found herself amid a sea of faces when she toured a shopping centre.

Most of the faces were friendly, though the Prime Minister also faced a demonstration by Young Liberals, school sixth-formers and trade unionists, chanting "Thatcher must go" and "Tories out!"

A police offer to guide Mrs. Thatcher away from the demonstrators was refused. "I'll see it through if you're game," she told them.

New rates will drive work away

By Ray Perman, Scottish Correspondent

SIX LEADING industrialists have warned that the 42 per cent rates rise proposed by Labour-dominated Lothian Regional Council, which is defying the Government and increasing its spending rather than making cuts, could mean loss of jobs and the de-industrialisation of the area.

Expressing their alarm, in a letter to the Scotsman, the chairmen or managing directors of Scottish and Newcastle Breweries, Brown Brothers, N.E.L., Bruce Peebles, Drybrough and Co., Ferranti Scottish Division and Christian Salvesen said that a rates burden of the scale proposed would discourage new industries from entering the region and encourage existing companies to expand elsewhere.

No pipeline

MR GILES SHAW, Parliamentary Under-Secretary at the Northern Ireland Office, has re-emphasised that a pipeline to carry natural gas to the Province from Scotland at an estimated cost of £100m, cannot be contemplated. He said that it was likely the project would need continuing financial support from the Government even if the EEC paid the total capital cost.

Happy holiday

NINE out of every ten people who went on package holidays las tyear were generally pleased, according to a survey carried out for the Office of Fair Trading. Almost 65 per cent of those surveyed were "very satisfied" with their holiday, while 25 per cent were "quite satisfied."

Banking hopes

Sir Julian Hodge, chairman of the Commercial Bank of Wales, is hopeful about its chances of achieving the status of a "recognised bank" under the terms of the new Banking Act.

Aerospace industry achieves £282m payments surplus

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITAIN'S AEROSPACE industry had a £282m surplus on its balance of payments last year. The industry's exports amounted to nearly £1.27bn and imports to just over £987m.

Exports of aircraft and parts earned more than £588m, imports cost more than £460m, giving a £128m surplus.

Exports were boosted by increasing shipments of wings for the European A-300 Airbus, and continued sales of the BAe 125 business jet and the BAe 748 feeder-liner.

But aircraft imports were substantially boosted by continued procurement of Boeing 747 Jumbo jets and Lockheed TriStars for British Airways, and of DC-10s and Boeing 727s and 737s for other airlines.

The imports bill will rise in 1980 and beyond, as BA takes delivery of its own fleet of 28 Boeing 737s, and 18 of the new Boeing 757s from 1983.

Exports of engines during 1979 amounted to more than £550m, imports to £378m. The export total was boosted substantially by a continued high level of overseas deliveries of Rolls-Royce RB-211 engines for Boeing 747s and Lockheed TriStars.

Other areas of aerospace export activity which did well last year include instruments, worth about £73m, and guided weapons, worth more than £23.5m.

● Orders for six commercial jetliners for Aerolineas Argentinas, worth nearly $240m (£104.1m) including spare parts, were confirmed in Seattle by Boeing Commercial Airplane Company, a unit of the Boeing Company.

Purchase, subject to financing, includes two 747-200B passenger planes and four advanced 727-200 aircraft. The planes will be powered by Pratt and Whitney engines.

MPs agree to reduce 'abortion time'

BY IVOR OWEN

IF ANY change is made in the abortion law in the current Parliamentary session, it will be on the basis that the upper time limit for the termination of pregnancies is reduced from 28 to 24 weeks.

This became all the more certain yesterday, when the Abortion (Amendment) Bill—the controversial Private Member's measure sponsored by Mr. John Corrie, C., Ayrshire North and Bute—again failed to complete its passage through the Commons.

Only five hours of Parliamentary time now remain for the Bill to complete its report stage and third reading in the Commons.

The 24-week period was more firmly established as the only viable proposal capable of bridging the gap between the pro- and anti-abortion lobbies, when it was written into the Bill by a majority of 103.

But Mr. Corrie declined to make an immediate response to appeals that, in the light of this vote, he should agree to drop other contentious provisions in the Bill.

MPs to debate U.S. tax system

BY MICHAEL LAFFERTY

BRITISH MULTINATIONAL companies' campaign against the unitary tax system of some U.S. States will continue in the Commons on Monday.

The companies have asked MPs to register disapproval of unitary tax during a debate on proposed ratification of the UK-U.S. double-tax treaty.

They are not asking MPs to vote against ratification but, rather, to indicate that their approval is given reluctantly.

Previously, some of the companies had argued that delay in approving the treaty was the best way to encourage U.S. moves to abolish unitary tax.

This is a system—in California and some other States—under which U.S. subsidiaries of foreign, including British, companies face taxation not only on local profits but also on a proportion of a group's world-wide trading results.

Because of a campaign by British companies and other interested parties, advances have been made against unitary tax in California.

A Bill to exempt from unitary tax most foreign-owned companies in the State is proceeding through the State legislature.

BACKGROUND TO THE £101m DEAL FOR RACAL

The tactics used to clinch control

BY CHRISTINE MOIR

THE TACTICS of Thursday's "shut out" bid by Racal Electronics which won it control of Decca reveal that Decca's board was as keen to get together with Racal as Mr. Harrison was to absorb the company.

Racal announced on Thursday that it was prepared to increase its cash offer to £101m and its share offer to a level currently worth around £104m, knowing its bid would not be topped.

Several days of talks with institutional holders of Decca's voting shares had produced a number of investment managers, owning nearly 20 per cent of the votes between them, who were prepared either to accept the bid irrevocably or to sell their shares by way of a "put through" in the market.

Racal already owned 6 per cent of the votes and had acceptances from board members amounting to 25 per cent. So the 20 per cent from the institutions was enough to give it control of Decca and shut out GEC from the bidding. The "shut out" package was proposed by County Bank which was advising Decca's board.

After meetings late last week Decca was convinced that its future lay with Racal rather than with GEC.

On Sunday County Bank told Mr. Harrison it believed it could procure sufficient acceptances to secure a new bid if he agreed to a number of conditions. The cash offer would need to rise to 600p for the voting shares and 500p for the "A" shares. The share offer would have to be increased appropriately. And — importantly — Mr. Harrison would have to promise to come back for Decca on equally favourable terms if his bid were referred to the Monopolies Commission and survived.

Mr. Harrison and Hill Samuel, Racal's advisors, agreed to the terms and both boards and the two banks prepared to persuade the institutions to support the new bid.

The negotiations took the best part of four days and the last crucial 2 per cent hung in the balance until the early afternoon of Thursday. Carr Sebag, Racal's broker, went into the market just before 3 pm and carried out the "put through" deal which gave Racal 50.4 per cent of Decca's votes.

LEADING EUROPEAN COMPANIES WITH SUBSTANTIAL DEFENCE CAPABILITIES

COMPANY	SALES (1979)	PRE-TAX PROFIT LOSS (1979)
Decca (UK)	£182.5m	(£384,000)
Ericsson (Sweden)	£1.1bn ('78)	£88m
Ferranti (UK)	£192m	£12.6m
GEC (UK)	£2.5bn	£378.4m
Matra (France)	£283m ('78)	£19m
Philips (Holland)	£8.5bn ('78)	£552m
Plessey (UK)	£648m	£46m
Racal (UK)	£226m	£61m
Siemens (W Germany)	£7.3bn ('78)	£176m (net)
Thomson CSF (France)	£1.5bn ('78)	£18m (net)

Non-UK companies' results have been converted at the average rate of their countries' currencies against sterling for 1978.

Why Racal fought so hard for Decca's assets

BY JOHN LLOYD

"IF RACAL hadn't got Decca," said an electronics industry analysts yesterday, "I wouldn't have known what they would have done in the 1980s."

The comment, and the reasons for it, give an indication of why Mr. Ernest Harrison, Racal's chairman, fought so hard against the apparently overwhelming odds of the General Electric Company's large cash reserves.

Racal's first and most successful business, tactical radio communications, grew on the growth in arms spending by Third World countries —especially those in the Middle East—after 1973. That market is still large but is not now a booming one. Though Racal has remained dominant in its field, competition has grown tougher.

Its second leg, data communications, has proved fast growing but has been aimed very much at the civilian market, where Racal has plans to expand in office equipment.

This the third division, to be called Racal-Decca, will perform two vital tasks for the company. Firstly, it will take Racal into microwave communications which are of particular importance in the radar field.

Secondly, Decca opens the door to much greater Ministry of Defence and NATO work than Racal has previously commanded. The company needs this to compensate for any future dropping off in Third World markets.

The consensus of view among the exhausted band of Racal-watchers in the City is that the company will take some time to digest Decca. However, it is thought possible that the company will make further smaller acquisitions.

UK NEWS—LABOUR

Militant pickets spread private steel strike

BY ROY HODSON

FEAR OF militant picketing stopped many private sector steel industry workers from reporting yesterday.

The violence seen on the picket lines outside the private sector Hadfields works, Sheffield, on Thursday deterred workers from a majority of the other big private sector steelmakers from reporting. Hadfields men rejoined the strike.

Workers at the two GKN plants in Wales—Brymbo and Cardiff — voted on Thursday night to return to work. But both plants remained idle yesterday.

Private sector steel millowners were admitting last night that it was unlikely that they could stay in production if picketing pressures remained at the levels seen during the past few days.

Mr. Selwyn Williams, of the British Independent Steel Producers Association, said last night: "An overwhelming majority of people in our industry want to go back to work, but the inadequacy of the present law and the brutal anarchy seen in the Sheffield picketing yesterday is having its effect on private sector workers everywhere."

Private sector steelmaking plants at Bidston, Merseyside, Manchester, and Sheerness were still defying the pickets yesterday.

Delegations from a number of the 50 private sector steel works employing Iron and Steel Trades Confederation members will try to meet Mr. Bill Sirs, general secretary of the union, on Monday. They are expected to put forward new appeals from work forces to be allowed to return while the ISTC strike against the British Steel Corporation continues.

FLYING pickets had a pleasant surprise at a private steelworks yesterday—picnic lunches, provided by the management.

Pickets from the Shotton plant in North Wales lunched on fish, chips and peas and a doughnut outside Bidston Steel, near Birkenhead, Merseyside.

It followed a deal between the pickets and the company, which agreed to stop deliveries if production could continue, with goods stockpiled.

A token picket of eight to 10 remained, and were given lunch. The company said if it had helped to keep the dispute low-key, it did not begrudge the pickets lunch.

Christian Tyler writes: Mass picketing of the Sheerness Iron and Steel company on the Isle of Sheppey is expected next week, when Kent miners will join the lines.

About 250 men from the Northeast joined a picket line outside Edgars, the biggest steel stockholder in Cumbria. Police were called in and there were some scuffles.

● Manchester Steel is now the major target for flying pickets in the north.

About 130 men were on picket yesterday outside the melting shop and the rod mill in the Beswick area of Manchester.

They arrived too late to prevent the 50-strong 6 am shift from reporting for work as usual but won a partial victory in the afternoon when about 20 of the company's ISTC men refused to cross their line.

The remaining men were jeered as they went to work but there were no incidents.

Pickets from Rotherham said extra men would be brought in by coach on Monday in an effort to persuade the men to stop work. If that failed, they say, they will escalate the dispute into "Hadfield proportions."

Mr. Arthur Scargill, the Yorkshire miner's leader, is due in Manchester on Monday for a rally against spending cuts. The militants say they will try to persuade him to join in a march on Manchester Steel.

Pay talks deadlock in docks

By Gareth Griffiths, Labour Staff

PAY TALKS between the two unions and the employers at the London enclosed docks collapsed in deadlock yesterday. Both sides are pessimistic about a quick end to the strike.

The week-long strike by members of the National Amalgamated Stevedores and Dockers' Union spread yesterday. Work at the container berths at Tilbury stopped when Transport and General Workers' Union members decided not to cross NASDU pickets.

Private container terminals and riverside wharves have also been brought to a standstill by the NASDU strike. About 200 NASDU members were called out on Thursday night and now about 1,200 dockers are involved.

A Port of London Authority spokesman said yesterday the container berths at Tilbury handled 75 per cent of the total cargo handled and the overall position was becoming more serious.

A mass meeting of TGWU members at Tilbury had earlier voted on Thursday to continue working normally but had now apparently changed their minds.

The London enclosed docks employers association plan to refer the dispute to a meeting of the Port Labour Executive Committee on Monday. The union has indicated it will not back the reference.

There was strong support yesterday from the NASDU members in the Riverside docks and private terminals. Mr. Les Newman, the union's general secretary said yesterday his members would not handle ships diverted from London.

Both unions have accepted a pay rise for the Riverside group of about 1,000 dockers worth about 16 per cent. The settlement provides for an increase of 16.9 per cent on basic rates, 12½ per cent on bonus and a 25 per cent holiday pay increase.

The Riverside employees are the highest paid dockers in the Port of London. Their settlement will increase pressure for an enclosed docks settlement above the 12 per cent on offer. The employers, particularly the technically insolvent Port of London Authority, insist there is no more money available. The unions' claims are between 30 and 40 per cent. The settlements reached outside London are about 16 per cent.

No rush to buy at the swap shops

By Maurice Samuelson

A NETWORK of "swap shops" has sprung up throughout the engineering industry to enable companies to exchange different brands of steel. But so far they have hardly been active as stocks of steel remain high in most places.

Among organisations ready to assist their members in this way are the Engineering Employers' Federation, representing 600 mostly large companies, and the Engineering Industries Association, with 4,600 companies of differing sizes.

According to the Federation, steel stocks are especially high in the London area, where there had been least recourse to swapping.

The Association has a "swap shop" at each of its ten area offices. But Mr. Jerry Blake, Midlands branch director, said yesterday that he had had only eight requests for specific items, including three in the past three days.

There was some very good steel among the 800 tonnes on the "swap shop" books. If the strike dragged on for a long time he expected a lot more requests.

Negotiators have bungled—Biffen

BY ELINOR GOODMAN

MINISTERS' irritation with the steel negotiations surfaced yesterday, when Mr. John Biffen, Chief Secretary to the Treasury, said they were "bungled."

Mr. Biffen, whose frankness sometimes alarms his Cabinet colleagues, did not say which side of the dispute had mishandled the negotiations. But he made it clear that in his view the strikers had put their jobs at risk. It would take them years of "sweated toil" to recoup the losses suffered through bungled negotiation.

The strike, which is entering its seventh week, would inevitably have damaging long term consequences for the industry and those employed in it, he said. There was no question of "business as before." Already some customers of the British Steel Corporation were thinking of hedging their bets. Many steel users would seek an alternative supplier.

To this extent, he said, the strike would benefit private steelmakers in this country. But the real benefactors would be the overseas steelmakers.

The quest for new patterns of steel making and supply was "quietly taking place." Its full consequences would only be seen in the future.

It was not only the steel industry that was at stake, said Mr. Biffen. There was the further question of products which were manufactured from steel.

Quoting Mr. Anthony Wedgwood Benn's warning of "de-industrialisation," he said there had been no "de-industrialisation as spectacular as that secured by the steel strikers."

Mr. Benn, he said, should visit the "somewhat physical picket lines" of the workers in South Wales, who preach the dire consequences of self inflicted injuries to the steel industry.

Meanwhile, Mr. William Whitelaw, Home Secretary, said in Sheffield, home of Hatfield Steel Works, that the dispute was a "challenge to all of us in our society to resolve our differences without violence." The scenes in Sheffield had not been what peaceful picketing was about. It was time for all those involved in disputes to heed their responsibilities to the rest of society.

Pay row halts two papers

By Gareth Griffiths, Labour Staff

PRODUCTION of London's Evening News and the southern edition of the Daily Mail was stopped yesterday by a dispute involving 130 electricians over a local pay agreement.

Associated Newspapers, who own both papers, said that 1,500,000 copies of the Daily Mail were lost and there was a threat to the contract printing of the Sunday People. The electricians, members of the Electrical and Plumbing Trades Union, had completely disregarded laid-down procedures, it said.

The dispute is over a 15 per cent house agreement claim. The unions chapel said the men were sacked after threatening to withdraw "goodwill." Associated Newspapers said the men walked out.

Attempts were made last night to set up a meeting between both sides.

Armed forces recruiting up by 24%

THE NUMBER of recruits to the armed forces rose by 24 per cent last quarter. The intake of men officers increased by 32 per cent.

With the Government restoring pay comparability and increasing defence expenditure, the number leaving the armed forces was down 7 per cent compared with the same quarter of 1978.

Total strength of the three services at the end of the year was 319,398, but this is still below the Defence Ministry's requirement for the mid-1980s.

Prior defends labour law

BY OUR LABOUR EDITOR

THE PRESENT law was capable of dealing with mass picketing of the kind seen at Hadfields, the private Sheffield steel company, Mr. James Prior, Employment Secretary, said yesterday.

Meanwhile Mr. James Callaghan, leader of the Opposition, urged pickets to follow the written guidance given by the TUC last winter in agreement with his Government.

At a Press conference in Newcastle, Mr. Prior said of the Government's proposed amendments to labour law: "There is nothing the Employment Bill or any other legislation could do which cannot already be done under law.

"If there are large numbers of people picketing, that in itself can be intimidation. It can lead to a breakdown in law and order and it is up to the police to take whatever action they need to take."

Mr. Prior, who has come under fire from within his own party for being too cautious, added: "The only remedies that can ever be effective in industrial relations are those which carry the support of the vast majority of the nation, including trade unions."

He believed trade unionists were themselves "fed up" with what was happening and would see the new laws as reasonable.

Indices point to a gloomy 12 months

BY DAVID MARSH

LITTLE HOPE of any medium-term improvement in the generally gloomy economic outlook is contained in the latest batch of economic indicators issued yesterday by the Central Statistical Office.

The composite index of longer leading indicators, which point to prospects during the next 12 months, was unchanged in January from the December level. It remained at about its lowest level since the 1974 economic trough.

Among the index's major components, a rise in share prices was just offset by an increase in short-term interest rates.

The index has shown a downward trend, albeit with erratic fluctuations, for the 28 months since September, 1977. Although not too much should be read into this, this period is the average duration between major troughs and peaks in the index over the past 20 years.

The set of shorter leading indicators—looking ahead over the next six months—was broadly unchanged in the latest month, December, compared with November.

A fall in new credit extended was balanced by a rise in car registrations. This index's trend remains downward.

The index of coincident indicators, which is broadly in line with the economic cycle, edged upwards in December because of rises in retail sales and manufacturing output.

The CSO says however that the recent upward movement will probably prove to be temporary. This is because of a likely drop in output last month resulting from the steel strike.

The index of lagging indicators fell again in January as unemployment rose and notified vacancies fell. This indicates that the index reached a peak in the final quarter of last year and is gradually dropping.

The indices are generally a fairly accurate guide to likely medium-term trends in the economy. Officials say, however, that monthly fluctuations need to be interpreted carefully. This is because of changes in composition of data making up the indices, and the need for occasional revisions of past figures.

BALANCE OF TRADE

		Exports £m seasonally adjusted	Imports £m seasonally adjusted	Exports Volume seasonally adjusted 1975=100	Imports Volume seasonally adjusted 1975=100	Terms of trade *Unadjusted 1975=100	Oil balance £m
1978	1st	8,390	9,023	120.1	113.6	105.0	−625
	2nd	8,676	8,862	121.0	109.1	104.5	−419
	3rd	8,933	9,401	122.5	115.0	106.1	−497
	4th	9,072	9,278	122.5	112.7	106.5	−458
1979	1st	8,373	9,961	109.0	116.9	107.0	−122
	2nd	10,658	11,144	135.3	128.9	106.4	−229
	3rd	10,641	11,134	129.8	128.1	106.8	−158
	4th	11,017	11,762	129.3	128.9	103.7	−158
	Aug.	3,517	3,743	128.6	127.2	106.7	−122
	Sept.	3,549	3,760	129.3	127.5	105.5	+ 12
	Oct.	3,434	3,902	124.7	129.7	104.4	− 95
	Nov.	3,760	3,835	131.8	125.8	104.1	+ 28
	Dec.	3,773	4,025	131.3	131.2	102.6	− 91
'80	Jan.	3,879	4,225	130.1	128.9	100.5	− 74

Ratio of export prices to import prices

Source: Department of Trade

Trade deficit reaches £346m

THE UK recorded a deficit of £346m in visible trade last month, well above the upward revised deficit of £252m in December. But the deficit in the last three months fell to £673m from £855m during August to October. The reduction was mainly due to a recovery in exports after the depressing effects of the engineering strike in autumn.

The deficit in oil trade fell compared with December, but was above the average for the final quarter last year. The downward trend in the terms of trade continued.

Industry profit margins up during quiet season

FINANCIAL TIMES REPORTER

TRADING PROFITS of 147 industrial companies reporting between late spring and early summer last year increased by 20.1 per cent, the latest FT survey on industrial profits shows.

The survey of 210 companies covers a relatively quiet season for results and the figures should be interpreted with some care.

The increase in the industrial sector compares with a 15.3 per cent gain in the previous quarterly survey, covering 406 companies, and is a sharp improvement on the 0.8 per cent, fall reported a year ago based on 205 companies.

Office equipment and miscellaneous industrials showed rises of 35.7 per cent and 33.4 per cent respectively, more than covering falls of 9.6 per cent and 13.4 per cent respectively for chemicals and shipping.

Benefiting from lower tax, earnings of the industrial companies rose by 26.5 per cent and ordinary dividends paid went up by 28.9 per cent. The net return on capital picked up from 18.8 per cent to 19.2 per cent.

Earnings of the industrial companies rose by 26.5 per cent and ordinary dividends paid went up by 28.9 per cent, benefiting from lower tax. The net return on capital picked up from 18.8 per cent to 19.2 per cent.

Trading profits in the consumer non-durable sector (covering 64 companies) rose by 22.9 per cent over the year. The highlight was stores with an increase of 89.3 per cent. This was followed by food retailing with a rise of 65.8 per cent and newspapers and publishers showing a gain of 47.4 per cent. Falls were registered by leisure (5.4 per cent) and food manufacturing (2.8 per cent).

After heavier tax, earnings for the sector rose by 16.2 per cent and dividends paid increased by 21.3 per cent. The net return on capital improved from 17.7 per cent to 18.5 per cent.

In the capital goods sector (covering 49 companies) trading profits rose by 33.7 per cent. The best performer was contracting and construction with a gain of 58.1 per cent, followed by electricals with a 27.2 per cent rise. Engineering showed an increase of 19.5 per cent which was translated into a 48.3 per cent gain in earnings. For the sector as a whole earnings showed a jump of 66.1 per cent and dividends paid rose by 40.9 per cent. The net return on capital employed increased from 19.1 per cent to 20.1 per cent.

The 21 companies in the consumer durable sector achieved a 25 per cent gain in trading profits. Household goods was the best performer with an increase of 55.3 per cent in trading profit and a jump of 128.2 per cent in earnings and dividends increased by 45.2 per cent. For the sector as a whole earnings rose by 88.2 per cent and dividends paid went up by 27 per cent.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 210 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 210 companies whose account year ended in the period between April 15, 1979, and July 14, 1979, which published their reports up to the end of January, 1980. (Figures in £000).

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre-tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (5)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	3	3,745 (3,263)	+15.1	2,882 (2,264)	2,416 (1,719)	360 (317)	1,990 (942)	+111.3	614 (454)	+36.2	1,272 (1,193)	15,321 (15,756)	18.9 (14.4)	4,354 (5,557)
CONTRACTING & CONSTRUCTION	13	31,242 (39,734)	+58.1	33,056 (36,631)	42,320 (24,321)	4,117 (4,211)	38,194 (20,135)	+89.7	7,233 (5,264)	+37.7	37,297 (12,890)	240,338 (176,895)	92.1 (18.4)	109,580 (83,923)
ELECTRICALS (EX ELECTRN. ETC.)	9	13,890 (16,466)	+67.2	13,416 (10,558)	13,503 (3,639)	4,554 (4,391)	7,626 (3,348)	+48.1	2,806 (2,198)	+27.6	6,753 (4,439)	32,126 (39,163)	25.7 (26.9)	27,007 (10,800)
ENGINEERING	19	47,950 (40,128)	+12.3	33,467 (31,197)	31,787 (26,008)	9,783 (16,803)	22,069 (14,893)	+48.3	6,443 (4,165)	+54.7	25,928 (17,236)	127,742 (137,925)	18.4 (16.7)	83,547 (69,696)
MACHINE TOOLS	1	1,093 (835)	+17.1	811 (720)	681 (633)	392 (260)	398 (376)	+6.1	37 (58)	+13.5	302 (436)	3,993 (3,585)	20.3 (20.1)	1,999 (1,493)
MISC. CAPITAL GOODS	3	11,320 (10,138)	+19.3	6,162 (8,121)	7,847 (7,171)	6,307 (2,984)	3,310 (4,180)	+34.6	1,343 (1,006)	+33.8	3,889 (4,709)	67,739 (54,855)	15.9 (14.8)	31,966 (28,583)
TOTAL CAPITAL GOODS	49	141,310 (105,566)	+33.7	113,821 (83,211)	97,338 (71,857)	31,403 (26,436)	76,203 (45,971)	+66.1	18,508 (13,139)	+40.9	73,344 (47,708)	537,960 (447,004)	20.4 (12.1)	259,285 (206,981)
ELECTRONICS RADIO & TV	7	21,822 (18,753)	+19.4	11,027 (8,872)	6,617 (7,084)	2,758 (3,383)	3,834 (3,439)	+69.6	1,985 (1,610)	+23.4	13,866 (11,094)	33,679 (47,539)	19.9 (19.7)	16,607 (19,210)
HOUSEHOLD GOODS	10	20,557 (13,236)	+55.3	13,904 (6,160)	13,929 (7,718)	4,487 (3,586)	9,320 (4,084)	+128.2	2,352 (1,637)	+43.2	10,530 (5,623)	78,131 (63,036)	20.9 (13.9)	42,911 (38,826)
MOTORS & COMPONENTS	4	60,971 (18,458)	+12.0	16,016 (13,982)	12,843 (11,867)	279 (5,078)	11,927 (6,868)	+73.7	6,113 (1,839)	+13.0	13,732 (8,535)	106,948 (76,110)	15.0 (18.8)	38,126 (30,106)
MOTOR DISTRIBUTORS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TOTAL CONSUMER DURABLES	21	63,050 (50,447)	+25.0	42,947 (32,014)	34,791 (26,353)	7,323 (12,227)	97,081 (14,591)	+88.2	6,333 (4,986)	+27.0	38,168 (26,252)	239,768 (188,685)	17.2 (17.0)	97,644 (71,142)
BREWERIES	3	71,481 (56,761)	+23.0	50,423 (46,168)	43,495 (41,442)	13,293 (9,109)	22,571 (31,588)	−6.7	12,931 (11,094)	+16.8	31,373 (30,433)	376,625 (337,215)	13.4 (13.7)	45,013 (40,466)
DISTILLERIES & WINES	2	24,273 (19,234)	+28.2	21,821 (17,507)	16,052 (13,514)	3,803 (3,241)	19,938 (8,988)	+43.9	9,766 (1,888)	+47.0	12,088 (8,399)	98,016 (73,676)	22.3 (23.8)	55,956 (45,339)
HOTELS & CATERERS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
LEISURE	5	73,130 (80,488)	−5.4	47,299 (54,286)	23,997 (37,359)	6,316 (19,166)	12,950 (13,877)	−22.3	9,664 (11,533)	−51.8	32,799 (27,965)	406,463 (403,417)	11.6 (13.5)	106,494 (73,580)
FOOD MANUFACTURING	6	69,794 (71,828)	−2.9	36,717 (60,043)	44,307 (47,346)	13,196 (19,364)	23,384 (23,398)	+4.7	10,512 (8,947)	+17.6	27,887 (25,817)	340,244 (346,457)	16.7 (17.3)	133,917 (143,018)
FOOD RETAILING	7	101,812 (61,410)	+35.8	75,324 (46,656)	67,008 (43,686)	30,074 (17,865)	37,507 (27,748)	+35.2	13,721 (5,434)	+118.5	41,119 (33,243)	273,906 (198,148)	67.3 (34.6)	−11,793 (16,197)
NEWSPAPERS AND PUBLISHERS	2	9,136 (6,197)	+47.4	7,228 (5,036)	7,132 (4,926)	2,796 (2,243)	4,263 (2,655)	+60.6	881 (970)	+31.5	4,558 (2,856)	20,207 (14,392)	35.8 (35.0)	4,522 (3,796)
PACKAGING AND PAPER	3	4,993 (4,599)	+8.6	4,038 (3,826)	4,007 (3,784)	1,340 (1,996)	2,666 (1,796)	+49.0	803 (495)	+82.2	2,443 (1,803)	12,868 (11,424)	31.4 (33.6)	3,557 (7,046)
STORES	7	23,123 (12,913)	+86.3	20,473 (10,264)	20,043 (9,861)	3,104 (656)	14,933 (9,219)	+62.0	2,938 (954)	+208.0	13,466 (9,576)	53,020 (36,862)	38.5 (27.8)	25,843 (20,688)
CLOTHING AND FOOTWEAR	19	38,466 (29,647)	+26.5	32,629 (24,312)	26,920 (21,700)	3,610 (7,884)	16,633 (13,654)	+23.3	4,872 (3,550)	+37.2	16,305 (13,708)	133,792 (113,916)	24.1 (21.3)	95,771 (53,422)
TEXTILES	9	13,237 (9,521)	+39.0	10,470 (7,257)	9,541 (9,737)	3,537 (2,872)	5,193 (3,728)	+56.4	1,684 (1,226)	+37.6	6,324 (4,089)	40,628 (35,853)	23.8 (20.2)	19,543 (17,292)
TOBACCO	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TOYS AND GAMES	2	5,016 (4,630)	+62.1	4,712 (3,848)	3,216 (3,436)	376 (423)	3,456 (3,003)	+13.2	757 (588)	+28.7	3,600 (3,124)	67,302 (21,308)	12.1 (18.1)	10,450 (9,124)
TOTAL CONSUMER NON-DURABLES	64	436,475 (353,816)	+22.9	330,958 (281,141)	239,326 (238,005)	67,109 (93,810)	167,900 (144,541)	+16.2	57,459 (47,372)	+21.3	191,800 (152,012)	1,786,372 (1,592,666)	18.3 (17.7)	461,142 (436,867)
CHEMICALS	2	22,967 (110,537)	−9.6	84,253 (98,206)	76,047 (89,657)	36,104 (43,999)	36,410 (44,382)	−11.2	14,210 (10,094)	+40.8	41,600 (47,226)	422,248 (412,497)	20.0 (23.6)	200,661 (186,985)
OFFICE EQUIPMENT	1	11,647 (6,561)	+33.7	10,433 (7,706)	9,772 (7,407)	4,951 (3,876)	4,796 (3,329)	+33.9	2,163 (1,323)	+63.5	3,441 (2,710)	29,637 (13,726)	35.2 (53.1)	8,610 (6,496)
SHIPPING	1	673 (1,124)	−13.4	441 (284)	−111 (−466)	— (—)	−114 (−480)	+321.1	331 (186)	+84.2	−100 (77)	13,911 (14,432)	3.2 (2.0)	−290 (725)
MISC. INDUSTRIAL	9	31,888 (38,909)	+33.4	38,011 (27,610)	31,724 (22,593)	11,352 (2,279)	18,914 (11,930)	+58.5	3,393 (3,631)	+37.7	25,430 (17,711)	131,294 (167,007)	31.0 (16.6)	37,093 (70,004)
TOTAL INDUSTRIALS	147	807,310 (676,100)	+60.1	322,849 (336,185)	519,301 (433,606)	178,442 (181,330)	334,186 (964,154)	+26.5	104,390 (80,267)	+28.9	376,863 (302,691)	3,240,480 (2,853,017)	19.2 (18.8)	1,094,715 (981,200)
OIL	2	292 (198)	+47.5	−34 (13)	−171 (−90)	12 (19)	−183 (−109)	−40.4	— (—)	—	58 (−23)	8,412 (2,705)	0.4 (0.1)	2,118 (1,129)
BANKS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
DISCOUNT HOUSES MERCHANT BANKS etc.	2	12,231 (12,887)	−3.1	— (—)	— (—)	— (—)	6,684 (7,251)	−26.6	4,067 (3,347)	+66.1	— (—)	545,330* (660,821)*	— (—)	13,218 (9,718)
HIRE PURCHASE	1	136,950 (102,100)	+64.1	110,600 (86,710)	20,100 (17,000)	2,990 (4,180)	14,310 (11,120)	+28.7	— (—)	—	39,730 (25,630)	173,200 (172,600)	63.9 (48.3)	78,000 (81,600)
INSURANCE	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INVESTMENT TRUSTS	29	40,332 (34,335)	+17.5	32,620 (33,970)	31,753 (27,428)	10,716 (2,588)	20,503 (17,333)	+18.3	18,111 (15,237)	+18.7	2,405 (2,078)	777,199 (707,098)	6.1 (4.8)	11,807 (19,079)
PROPERTY	14	33,623 (26,474)	+31.3	31,862 (24,139)	12,984 (14,062)	3,117 (3,009)	12,614 (8,906)	+41.6	5,398 (3,874)	+39.5	7,636 (6,597)	400,846 (329,189)	8.0 (7.3)	−1,695 (−18,532)
MISC. FINANCIAL	9	22,649 (20,312)	+11.3	18,614 (17,063)	14,759 (13,605)	3,276 (4,793)	8,820 (8,432)	+4.6	3,985 (3,149)	+23.3	7,048 (7,054)	169,276 (162,672)	11.1 (10.3)	17,559 (17,363)
TOTAL FINANCIAL	55	252,742 (202,108)	+23.1	201,215 (151,895)	85,595 (72,096)	23,102 (93,660)	51,934 (53,742)	+15.2	31,561 (25,627)	+23.2	57,119 (40,359)	†1,521,221 †(1,378,552)	13.2 (11.7)	118,984 (109,248)
RUBBERS	1	714 (316)	+38.6	673 (477)	676 (477)	320 (277)	356 (200)	+77.3	130 (100)	+30.0	242 (134)	3,318 (3,470)	19.2 (13.7)	486 (966)
TEA	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TIN	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
MISCELLANEOUS MINING	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
OVERSEAS TRADERS	5	106,458 (106,438)	+0.01	89,350 (77,349)	87,740 (57,460)	20,891 (25,033)	33,901 (29,065)	+13.6	12,683 (8,177)	+58.1	36,023 (35,104)	549,372 (481,633)	13.3 (16.1)	179,964 (162,227)
TOTAL COMMODITIES	8	107,172 (103,933)	+0.2	90,036 (78,026)	58,413 (57,937)	20,911 (25,313)	34,258 (29,265)	+17.1	12,833 (8,277)	+55.0	38,268 (33,238)	552,890 (485,103)	16.3 (18.1)	180,450 (163,193)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation (including Dominion, Colonial and Foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses, insurances, etc.

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

THE WEEK IN THE MARKETS

Week of the takeover

LONDON
ONLOOKER

On the thresbold of the Year of the Monkey, the stock market has been through the week of the takeover. It is not just that the final tussle for Decca, which saw Racal triumph over GEC, the unmasking of De Beers as the mystery huyec of Coosolidated Gold Fields shares, and a £100m bid for Furness Withy have all taken place together. A number of other companies are on the receiving end of total or partial welcome or unwelcome approaches—CompAir, S. Hoffnung, Godfrey Davis are only the most recent.

Not surprisingly, the whole equity market is galvanised by the asset backing of shares. Furness Withy earns hardly anything, hut has a valuable fleet of ships. Decca is making losses. In its eagerness to identify asset-cich companies, the macket has not yet been restrained by the danger signs of lower earnings, especially among engineers: both Birmid Qualcast and Alcan (UK) cut their dividends this week.

Uncomfortable wholesale price figuces and confirmation in the money supply statistics of the buoyant bank lending trend have kept gilt-edged down, although the Bank of England's injection of liquidity into the money market through the clearing hanks took some of the pressure off.

Furness again

There have been more takeover rumours surrounding Furness Withy over the years than almost any other company on the stock market. For years the share price has been propped up by hopes that a predator was just about to pounce.

Last week the wealthy Hong Kong ship owner, C. Y. Tung came out of the shadows and popped a £96m cash bid for Furness Withy on the table. At 360p per shace the bid is well below Furness's 1978 net asset value and compares with the £6 per share net asset value which some stock macket analysts believe Furness is really worth.

On the other hand, Furness Withy is not doing very well and its pre-tax profits for 1979 are likely to be around the £3m mark—a far cry from the £25m earned in 1974. Meanwhile, Furness's majority owned subsidiary, Manchestec Liners, probably lost money last year and is likely to do no more than break even in the current year.

C. Y. Tung is very ricb and his fleets are second only to the legendary Sir Y. K. Pao in terms of shipping tonnage. Pao controls 14.5m dwt and Tung controls ovec 9m dwt. By contrast the entire British fleet (including all the big oil companies' tankers) only amounts to 37m dwt.

The C. Y. Tung group can afford Furness Witby. However, the hid is not going to be decided solely on the basis of price. Furness Wilhy has a 16 per cent stake in Overseas Containers and its partners may not he happy tu see that stake bought by a rival—Tung is bidding for Furness through his Overseas Orient Container Company.

The British Government may also not be happy to see ownership of a major British company transferred abroad (the French certainly would not) and the trades unions are likely to he concerned about the fact that so many of Tung's ships fly under flags of convenience.

Clearly, there are a number of hurdles that need to he crossed befoce Furness is taken over. However, tbere bave been so many blocks of Furncss shares floatlng around over the years that it would be in the interests of the company and the morale of the staff if either Furness was taken over once and for all or left to get on with its business in peace.

Bouncing about

Guthrie Corporation is another bid stock which has been hard to keep out of tlie limelight; only here there has heen no need for any guesswork as to the identity of the likely bidder. At the end of next month the Malaysian-hased trading group, Sime Darby, will be free of the Takeover Panel's 12-month rule, prohibiting a renewed offer for Gutbrie.

As the expiry dale draws nearer and the rubber price pushes ahead, the Guthrie share price has been growing faster than a bamhoo shoot. But the shares, in any event a very limited market with so many powerful bolders arrayed on opposite sides of the battlefield, turned hack sharply towards the end of the week.

This can bc partly explained by the retreat of the plantation sector in general but Guthrie was very strongly tipped to have approached City and International Trust, an authorised investment trust, with a view to an offer. Nothing has been confirmed, as yet, but any initiative of this sort does appear to make a great deal of sense to Guthrie.

Sime's last salvo was fired at the equivalent of 525p per share and it may wait until it sees how far Guthrie profits have been undershooting before pitching again. Guthrie's share price, even after the recent sbake-out, is being fuelled by a persistent up-grading of estimated net worth. Assets are now thought to be worth at least 850p per share and M & G, a staunch Guthrie supporter last year, believes the ante has probably been raised to £10 per share.

That is the theory. In practical terms, Guthrie is starting to reduce its dependence on the Malaysian plantation industry. The £20m partnership deal signed with tbe Phillippines Government earlier this month to develop 20,000 acres of oil palms is to be the forerunner of similac ventures in other territories. At the same time, Guthrie nurses U.S. expansionary ambitions.

Willing CompAir

The news that CompAir, an international leader in the compressed air equipment market, has agreed to a take-over offec raises a hig question-mark over the future for medium-sized independent engineering companies.

CompAir is an anihitious company — hut inflation is pushing up its working capital needs, and tbere was nol much chance of it raising a lot of new equity through a rigbts issue. If it had retained its indcpendence, it would have had to lower its sights.

The bid came from Imperial Continental Gas Association, a casb rich group with utility interests in Belgium, Calor Gas in the UK, a 6.6 per cent holding in Petrofina and various North Sea oil interests.

It values CompAir at £58m, or £63.4m on a fully diluted basis, equivalent to a discount of 6 per cent to net worth in the year-end balance sheet.

CompAir, in spite of difficulties in 1978-79 over iodustrial relations and exports to Europe, is one of the healthier companies in the engineering seclor, with reasonably sound growth prnspects. Its main competitor in Europe is the Swedish company Atlas Copco, and CompAir believes it needs fairly substantial capital expenditure to stay in the race.

So the prospect of pulling in its borns hecause of cash restrictions make independence appear a rather over-valued commodity. More attractive is the take-over, in which I.C. Gas is to provide finance and leave CompAir responsible foc its own affairs.

Fed sounds the alarm

NEW YORK
IAN HARGREAVES

YESTERDAY'S ungentlemanly act by the Feleral Reserve in firing an early morning salvo over the financial markets with a 1 per cent rise in the discount rate created the desired sense of alarm.

A rush of sell orders wiped mure than 10 poims off the Dow Jones industrial average in virtually as many minutes. But by midday, there were signs that panic had suhsidied and that with a strong six week rally behind it, the stock market intended to try to take a more balanced view.

That will he difficult because tbe most important trend so far this year in the market has been a growing desire hy portfolio managers to hedge their bets.

The evidence for this is the estimated $53bn currently stockpiled into short term money market funds, where interest rates have heen unattractive (around the same level as on last year's going rate of consumer price inflation of 13 per cent) but where at least investors were not being forced to take a long view.

A long view in the bond markets in this period would have been a self-evidently high risk. With an expansionary U.S. Federal Budget, a strong upward surge in commodity prices and no evidence of renewed political will to tougben inflation fighting tactics, there seemed to he no prospect of inflation comiog down. Long term houd yields of about 11 per cent therefore began to look very unsatisfactory indeed.

That, principally, is what helped the stock market to its rally this year—a rally, incidentally, which in the middle of last week lifled the Dow to its highest level for 17 months, taking it crashing through the 900 barrier. Investors moved out of bonds and into stocks and short-term money instruments.

The market has been buzziug with stories of hig pension fund managers "switching to equities." The best tale was that the men who run General Motor's pension funds had decided to raise the prnportion of common stock in their portfolio from 50 to 70 per cent. That alone would have been enough to add $2.5bn to equity purchases this yeac.

Because accurate statistics on tbe movement of iostitutional funds lag well behind the movement, this trend is chiefly describable in only anecdotal terms.

The only up-to-date figure which means anything is to note the volume of block trades (transactions involving over 10,000 shares) on the exchanges. In January there were 15,158 sucb trades, almost 50 per ceut higher than the previous record and almost double the December level.

Does this rise in the discount rate—the rate at which the Fed lends money to banks and therefore a critical factor in the level of short-term interest rates—mean that the portfolio managers have read it wrong and will now scuttle?

It is too early to be sure, but probably not. This is the third Fed anti-inflation package inside three years and the market is inclined to wait and see whether the Fed moves further.

The stock market will also wan tto study the reaclion of its neighbour, the bond market. Hhere the issue is whether the emergence of a renewed Fed attack on iolation genuioenly promises to reduce inflation and thereby salavage the long term bond markets, whose very existence has been called into question this year.

If it decides yes, then the stock markets looks set for a quieter, though not necessarily disastrous period. If it decides no, the institutional funds managers will presumably continue to look with favour oo investment in stocks, however precariously positioned such a viewpoint may he in the longer term, given the risks to the dollar in the U.S. persuing a blithely inflationary course.

Monday	889.59	— 6.14
Tuesday	898.98	+ 9.39
Wednesday	903.84	+ 4.86
Thursday	898.77	—10.07
Friday (noon)	886.60	— 7.17

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979/80 High	1979/80 Low	
FT Ind Ord Index	462.6	+ 1.2	558.6	406.3	Early firmness lost
Charter Cons.	185	+29	198	69	Buoyant UK Financials section
City & Int. Trust	135	+29	137	87	Bid approach
CompAir	103½	+25	103½	52	Bid from Imp. Cont. Gas
Cons. Gold Fields	514	+14	617	178	De Beers acquires 25% stake
De Beers Dfd.	547	+50	553	332	American buying
Decca "A"	490	+50	490	230	Revised Racal bid
Fashion & General	200	+73	205	113	Furness Withy stake
Fisons	289	+15	332	227	Stock shortage
Freemans	122	—26	190	110	Co. unlikely to meet prfs. f/cast
Furness Withy	377	+113	400	218	Bid from C. Y. Tung Group
Guthrie	810	+43	900	320	Commodity price/bid hopes
Hoffnung (S.)	86½	+12	89	53	80p cash offer from Burns Philp
Meat Trade Suppliers	83	+ 8	92	75	Interim statement
Messina	230	+43	230	56	Buoyant metal prices
Polly Peck	16	+ 8½	16	6	9p cash offer from Restro Invs.
Samantha Exploration	163	+51	163	25	Heavy speculative interest
Silvermines	123	+28	125	36	Oil exploration hopes
Sound Diffusion	65	—10	77	24½	Forecast of halved profits
Whittingham (W.)	108	+12	110	38	Increased annual profits

De Beers and the City

BY RICHARD LAMBERT

AT 6.30 on Tuesday morning, a partner in leading City stockbrokers Rowe and Pitman received an early morning phone call from South Africa. His instructions were to mount a £101m share raid on Consolidated Gold Fields that morning. At 8.30 am the operation was under way, and by 10 am it was all over.

De Beers had hought 11 per cent of Gold Fields in an hour and a half, which together with the shares which it and "othec parties" had been secretly acquiring over the previous four months added up to a 25 per cent interest in the company.

De Beers then announced that it had that morning secured options from the other parties to buy their shares, and that half its enlarged holding was to he passed on to a fellow member of Mr. Harry Oppenheimer's South African mining empire, Anglo American Corporation.

But although the transaction has been completed, the story is hy no means over. The Seeretary of State for Trade has appointed inspectors to investigate the ownership of Gold Fields.

The Office of Fair Trading is deciding whether to look into the affair and the Stock Exchange is mounting its own investigation of share dealings in Gold Fields.

These stahle doors will be clanging for quite some time to come.

It was early last October that Gold Fields first became aware of odd movements in its share register. The company keeps a record of its outstanding certifications — shareholders applying for new certificates after selling off part of their holding.

At the end of September, the figure was 231,000. A month later it was 1.2m, and by the end of December it was 5.3m. Since these figuces did not tally with the number of actual share registrations, Gold Fields became convinced that unknown huyers were accumulating large numbers of its shares, and not registering their ownership.

Outstanding certifications in January climbed above 9.5m, and late that month Gold Fields applied unsuccessfully to the Stock Exchange for help in finding out what was happening.

A week ago, with the number rising inexorably towards 12½m, Gold Fields made a public statement of its concern, and on Monday it was driven to the desperate step of requesting the appointment of Government inspectocs.

This is presnmably what forced De Beers' hand.

One of the hig questions is how this operation was mounted without hreaking UK company law, which requires that anyone who buys 5 per cent or more of a company should show his hand. Apart from emphasisiog that it took great pains to observe the law, De Beers refuses to elaborate on Tuesday's brief statement. It stands on its reputation, it says.

All the same, the Department of Trade inspectors have not been called off the case and are likely to be asking questions related to Section 28 of the 1967 Companies Act.

Before its share raid, De Beers had just under 5 per cent of Gold Fields. According to its statement, it secured on Tuesday options from two unnamed parties to purchase two companies, one of which held 4.9 per cent of Gold Fields and the other 3½ per cent.

Section 28 says, among other things, that a person shall be deemed to be interested in shares if

- a hody corporate is interested in them, and that body corporate or its directors are accustomed to act in accordance with his directions or instructions.
- if he enters into a contraet for the purchase thereof hy him.
- if he has the right to call for delivery thereof by bimself or to his order.

Whatever the explanation, it is hard to quarrel with the statement from Mr. Nicholas Goodison, cbairman of the Stock Exchange, who said: "It looks as if the intention of company law, which is that a company should be able to discovec the beneficial owners of its capital, was heing at least temporarily frustrated."

Sucb behaviour may he familiar on the wilder fringes of the secondary hanking sector. In the case of De Beers and its agents, it seems extraordinary.

A separate cause for concern is the way that the vast majority of Gold Fields' sbareholders were excluded frnm the buying bonanza on Tuesday morning. Having closed at 525p on Monday night, the huying price for a brief and hectic period on Tuesday morning was 615p.

Immediately after the order was completed, the shares fell back sbarply, and they were pushing down towards 500p later in the week. Yesterday they closed at 514p.

De Beers hought its shares on a first come first served basis, which inevitably meaot that the institutions got the lion's ahare of the action. Rowe and Pitman told the four jobbers in the stock what was happening at 8.30 a.m., bnt it was not until nearly an hour later that many leading brokers heard what was going on.

For an hour and a half, the City's telephones were humming with specific, privileged, price sensitive information. It would be challenging to explain to anyone not wise in the ways of the Square Mile why this does not count as insider trading.

A general view among stockbrokers is that in a free market a big buyer (or aellec) is hound to get better terms than the maiden aunt in Brighton. This must be true, up to a point. But De Beers has spent over £150m on its investment in Gold Fields, which is a lot more than Racal is forking out for the whole of Decca.

If the stock market is to be anything more than a place where a handful of big institutions swap shares among themselves, then in cases like this a partial offer available to all shareholders must surely be appropriate. To condone De Beerss' action and at the same time to beef about the passing of the small investor is bnmbug.

Mr. Goodison certainly takes the point. Asked whether he was concerned about the apparent difficulties which smaller investors had in selling shares at Tuesday morning's price, be replied "Yes, very."

Mining, Page 6

UNIT TRUST AND INSURANCE OFFERS

FINANCE AND THE FAMILY

Securing return of land

BY OUR LEGAL STAFF

Under Securing return of land (December 6) yon indicated there might be difficulties in getting land back where it was let as a kitchen garden. In my case I agreed some six years ago to contione letting a piece of laod to a new owner of adjacent land on an annual basis at a nominal rent and on 6 months notice. The land is in Scotland and I am now worried about it. What, please, is my position?

The article dated December 8 1979 concerned the position in England.

As we understand your letter your original lease of the garden ground has oow come to an aod occupies it on an annual basls ooly. This concept is known as tacit relocation in Scotland, i.e. the terms of the original lease still apply hut the arrangement runs from year to year only. As such you are entitled to end this arangement in aoy year on the anoiversary of the original termination date which enjoys the legal name of the ish.

In your case the origioal lease specified a Six Month period of Notice and accordingly if your notice to quit is served at least Six Months before the anniversary of the isb, you are entitled to re-possession on that date. Should the occupier refuse to leave, the appropriate course is then to raise an action of removing against him in the Sheriff Court. If matters reach that staga you would be well advised to see a Scottish Solicitor.

No liability to CCT

I refer to your answer under "Some liability to C.G.T." (December 1). Section 105 of the Capital Gains Tax Act 1979 refers to a bouse provided for a dependent relative. Does yonr reply mean that C.G.T. relief can be claimed in cases where the relative concerned has a higher income than the basic pension?

Subaection 5a of Section 5 of the C.G.T. Act reads as follows: "dependent relative" means in relation to an individual, any relative of his or of hia wife who is incapacitated by old age or infirmity from maintaining himself." You will see, therefore, that the relative's income is irrelevant for tax purposes.

Retirement relief

In your reply under Retirement relief (December 15) you agree with the writer that a Sectioo 226 contribution of £750 should be allowed as a deduction from total income. But surely, the maximum deduction allowable is 15 per cent (with an upper limit of £3,000) of the net relevant earnings for that year, as laid down in Section 227 1A. In the case in question, the net relevant earnings would appear to be £3,575, so only £536 would qualify for dedncticn, and only the proportion 536/750 of the resulting annuity would count as earned income. Or have I missed something?

The point which you missed was that, since tha question related to age allowance, the reader's "elderly" friend must have been born before 1916, aod must conaequently be eligible for reliaf under section 226(4). In fact, the lady was boro in 1912-13 and was consequently qualified for a maximum section 226 dedoction of 21 per cent of £3,575 = £750.75.

We must admit to an error, which you probably spotted bot did oot trooble to mention. The year in the reader's question was misprinted as 1978-79, whcreas the closing paragraph of our reply iodicates that the reader must bava been talkiog about 1977-78.

Beneficiary and executor

Referring to your reply uoder Beneficiary and executor (January 12) could yon please tell me: a) which Act gives power to a beneficiary to ask executors for full accounts in a deceased estate and to inspect documents of title? b) Must the executors or their solicitors sign tho accounts, and if so, what is the relevant anthority?

(a) The authority is not statutory but arises out of case law. A convenient modarn authority is *Re Londonderry's Settlement* (1965) Ch 918.

(b) This is a matter of usage. Any indication by tbe trustees that they agree and approve the accounts will suffice.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Detriment from branches

I know that one may cut branches of a neighbour's tree which overhangs one'a garden, hnt what about those too high up to be reached withont a ladder, which the neighbour refuses to allow to lean against his tree? Is it correct procedure to ask him to cease to commit the act of trespass, that is, to ask bim to cot off the branches himself?

Yes. Theoretically the owoer of tho land over which the braoches hang wonld he entitled to seek an injnnction (order of the Court) restraining the trespass and nuisance. In practice that remedy will only be granted if there is some damonstrable detriment suffered by the owner or occupier of tbe land over which the branches hang.

Tax on Irish dividends

Twiee yearly I receive from Allied Irish Banks a gross dividend of IR£30 from which is dedncted Irish income tax at 35 per cent. After a further loss on the exchange rate to sterling, my bank dedncts a further £1.86 for expenses and commission. Thus I end up with only £16.89 of the eriginal gross dividend. Can you please tell me whether there is any double income tax agreement between the UK and the Irish Repnblie. If not, I presume I shall have to pay UK income tax on the £16.89 as I am resident in the UK.

Irisb dividends (like UK dividends) do not actually suffer deduction of income tax at source: they are paid without deduction of tax and carry a tax credit. You are entitled to claim payment of part of the Irish tax credit (from the Revenoe Commissioners in Dublin), by virtue of article 11 (2) (a) (ii) of the Ireland-UK double taxation convention of June 2, 1976, and the necessary forms are obtainable from the Inland Revenue, Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, KT7 0DP. The sterling equivalent of the residual Irish tax credit (i.e. the amount which is not payable in cash) is allowable against your UK income tax liability, which will be calculated on the sterling equivalent of the aggregate of (i) the actual dividend and (ii) the whole of the Irish tax credit.

In practice you will find that this procedure is not as complicated as it looks in print. Any variation in the punt/pound rate of exchange between the date of the dividend and the date of the tax credit payment by the Revenue Commissioners in Dublin will be ignored in assessing your UK income tax liability (following the decision in Greig v Ashton in 1956).

Not a joint tenancy

We let a self-contained flat to two nurses each of whom signed a separate tenancy agreement. In course of time, as one nurse completed her training, she moved out and another moved in, each signing a separate agreement. Now the present occupants, each of whom took np teoancies at different times, are insisting that this is a jolnt tenancy and they have a right to appeal to the Rent Officer against the rent. We are relnctant to appeal to the Rent Officer ourselves since we consider by so doing wo would admit that the tenancy came within the scope of the Rent Acts. What course of action do yon suggest?

If the agreements which have been signed made it plain that they are licences or that nll the accommodation is to be shared, there should be no tenancy, joint or otherwise; but much will depend on the precise form of words used in the agreements. There is io any event an obstacle to a claim that a successor holds o joint tenancy, as the estate of joint tenants ought to be commensurate. You are right not to apply to the Rent Officer yourself, and you should persist in objecting to his jurisdiction should the licenseea apply. For authority as to sbaring, see Goodrich v. Paisser (1357) A.C.65.

Brides and taxes . . . bridegrooms and bills . . . Financial Times writers look at marriage in the 1980s

For whom the wedding bell tolls

TAXATION

DAVID WAINMAN

ONCE AGAIN it is being confidently predicted that the tax system is about to undergo major structural change. We tend to assume that such amendments can he seen as logically aligned straods in a cunningly woven pattern of changea.

It is therefore a constant surprise how often change comes differently. It may he equally unexpected how often the instigator is a Cbancellor from the political party which seems least in sympathy with that change.

In 1976, for instance, Mr. Deois Healey introduced a further change in the income-tax rules for bride and bridegroom in the year of marriage, complementing that brought in by Mr. Roy Jenkins in 1968. Mr. Healey was also the progenitor in 1974 and 1975 of Capital Transfer Tax.

As we will see, the principles seemed to be ooes of removing the former government subsidies to the happy couple, while allowing their families freely to hand on to them a greater amount of accumulated wealth. Those subsidies, disguised though they may have been, are remembered with gratitude by many of those who married before 1976, but more particularly by couples who wed eight or more years before that.

The pre-1968 scheme was that the bride could claim a full year's personal deduction as a single womao against ber income for the period up to her wedding day.

The bridegroom would have been paying tax up to that point aa a single man, but his personal deductioo was instantly upgraded on marriage. He was then entitled to the married man's allowaoce for the full year.

The result was that both got repayments of tax—because In both cases the deductions already allowed for in their PAYE codings to the date of marriage had beeo too low.

Io 1968 the bridegroom's advantages were cut. Instead of the married man's deduction being effectively backdated to tbe beginning of the fiscal year, he was given a single man's deduction for the proportion of the year up to his wedding, and the higher level only from that dato onwards.

However up till 1976, all working brides continued to enjoy another disguised subsidy. From the date of marriage to the eod of the fiscal year the bride's income was aggregated with that of the gronm, but she could deduct against it a full year'a "wife's earned income allowance." (This would nnt have been true where she claimed "separate taxatioo" for her earnings, but it would have been a very exceptional case in which such a claim was beneficial for the year of marriage.)

After the changes outlined above, newlyweda will meet harsh cold reality. Tbe bridegroom receives a personal deduction partly at the aingle person'a rate and partly at the married man's (tbe first for complete months between April 6 and his wedding, and the second for the months after roundiog up any broken mooth in this period).

The bride is taxed for the whole of the fiscal year of marriage as if she had remained siogie. This has a number of Implications. She receives a siogle persoo's allowance but cannot also obtain the wife's earned income allowance—not even proportionately.

She bas no need or ability to claim separate taxatioo of her earnings for the part of the fiscal year after her marriage: the treatment is mandatory. It is also more extensive thao the separation of earniogs. It applies to unearned income, which is not therefore aggregated with the hridegroom's until the beginoing of the oext fiscal year.

But even if the Revenue insists on puttiog the couple asunder until the following April 5, they do allow some cross-pollinatıon. If the bride has deductions in excess of income by reason of child allowances, the bridegroom can beoefit fro mthat excess. If either pays life insurance premiums which are more than one-sixth of their separate incomes, the restriction of relief may be avoided by taking the other's income into account.

For Capital Gains Tax the law requires that the assessment for both bride and bridegroom's gaios throughout the whole year of marriage be assessed on the latter (subject to the right of either to claim that the assessment be split), but this should be seen only as a "collection mechanism." It is the calculatioo of tha liability which is the significaot question.

Hero, bride and groom will find to tbeir chagrin that whenever during the fiscal year they marry, they are only eotitled to ooe relief for small gains, jointly. Their gains before and after marriage are aggregated, and theo provided that that aggregate is less than £9,500, the first £1,000 is free, the next £4,000 taxed at 15 per cent and the balance at 50 per cent.

If all this leaves the couple less happy than could have been boped, at least they can rejoice that relations aod friends will not have bad to suffer Capital Transfer Tax for wedding preseots — provided they bave kept within the limits. These are £5,000 from eacb pareot or either, £2,500 from grandparents and £1,000 from anyone else.

Pity the groom and his father-in-law

IF, LIKE me, you have just got married, you are probably experiencing the most expensive year of your life. If, oo the other hand, you are not like me you may ba more like my colleague Eric Short — be has two eligible daughters likely to meet the right young men in the next few years. Whichever way you look at it, marriage ia an expensive business.

This at any rate is the conclusion of a oew survey published this week on St. Valentine's Day appropriately eoough by the magazine Wedding Day and First Home. While the overall findings are possibly not that unexpected, some of the statistics may well be alarming to budding bridegrooms and potential fathers-in-law.

First tbe gross aggregate figures. In the year In which the survey was conducted (1979/80) the estimated 400,000 newly weds invited 35m guests who jointly consumed £149m worth of wedding reception food, £14m worth of wedding cake and £57m worth of wbat the magazine toochingly calls "celebrity booze."

Engagement rings apparently cost £45.6m, £18m was spent on wedding rings, aoother £46m on bridal wear, though a more modest £32m was forked out on clothes for the bridegroom. Photographs came to a cool £26m, honeymoons to £110m and 18 of the basic domestic items needed for survival in the real world to a staggering £861m.

The survey was based on questions put to more than 1,000 couplea in the UK. Its findings, which are broken down into the maximum, minimum and average experience include some interesting if not remarkable responses. For example, while the average engagemeot ring cost £120, the most expeosive put the bridgegroom back by no less than £3,000 while at the other end of tbe scale soma artful dodger managed to get away with a mere £1 outlay.

The average troussean cost £73 but one girl splasbed out as much as £500 while another clearly did not need to impress her busband, spending only £5. The most frightening figures, however, are Wedding Day's estimates of bow much it will cost to get married in 10 years' time.

Depending on your view of inflation (12 to 19 per cent in this case) the total likely cost of the wedding alone (excluding honeymooo and setting up home) will range between £4,081 and £7,483.

How then can those likely to be involved plan for the big occasion. For future bridegrooms there is probably no helpful answer except to say that some form of quickly realisable savings (like a building society or bank deposit account), will certainly come in handy.

The bride's father, on the other hand, sbould be in a position several years in advance to put something by for his daughter'a great day. A with-profits endowment policy (with a guaranteed sum in line with what you think the cost is going to be) would be a wise precaution. Even better perhaps would be a flexible endowment policy which allows tbe investor to leave his premiums with the life company at the end of the original term and cash them in when needed.

This is a good way of guarding against sudden engagements or surprisingly long spells of spinsterbood.

As the wedding day approaches, it is worth remembering that a policy can be taken out to cover last-minute cancellations. Some companies may at least consider the suggestion, but Adam Brothers Contingency, a firm of Lloyds brokers, is an acknowledged specialist In this field. The firm saya its policies are tailored to individual circumstances but as a rule the premium tends to amount to roughly 3 per cent of the sum insured.

Adam Brothers emphasises that all its policies exclode eleventh hour jitters by either the bride or groom. The illness or death of anyone other than the bride and groom is also generally exclnded but if you are prepared to pay more this can be included.

Otherwise, the policy will cover cancellation due to any cause beyond the control of the insured and the participaots.

Tim Dickson

Oppenheimer pays his price

MINING

PAUL CHEESERIGHT

MR. HARRY OPPENHEIMER once said he preferred to do something "creative" with the money under his control. Certainly the funds at the disposal of his major groups, Anglo American Corporation and De Beers Consolidated Mines, are extensive.

When, at 9.13 last Tuesday morning, he informed Consolidated Gold Fields in London that De Beers was about to complete the accumulation of a 25 per cent stake in its equity—that De Beers was the mystery buyer which bad not been registering its share purchases—the Gold Fields directors might well have wondered exactly how "creative" Mr. Oppenheimer was being.

The directors were mollified to the extent that, Mr. Oppenheimer expressed confidence In their management, that his intentions were "honourable." Bnt the question remained as to why Mr. Oppenheimer wanted the stake in the first place.

De Beers remains insistent that the purchase of the stake, at prices roughly between 300p and 615½p a share, is a good investment. It is certainly a costly one, costing more than £150m. But it is scarcely a "creative" investment.

Gold Fields' assets are broadly the same as they were a year ago, or two years ago. It might have been more creative for De Beers to have bought its stake rather earlier. When exchange controls were lifted last October, Gold Fields shares were 250p; at the end of 1978, they were 182p; at the end of 1977 they were 166p.

Of course, Gold Fields is not a bad investment. Record profits in the year to last June showed that its earnings had come out of the doldrums. It has a string of assets in Europe, Australia, North America and, above all, direct stakes in major South African gold mines, not to speak of its 46 per cent bolding in Gold Fields of Sonth Africa.

But just as small shareholders in Gold Fields have a real complaint that they were not given the cbance to offer tbeir shares to De Beers last Tuesday at prices 90p above previous market levels, so Anglo Americao and De Beers shareholders have a grouse whicb needs answering. It is why Mr. Oppenheimer has speot their funds on something which he could have bad at half the price earlier on.

Of course, the De Beers intervention In Gold Fields may have nothing to do whatsoever with looking after small shareholders. The motives for the intervention may well have much more to do with heading off tbe growth of Afrikaner financial Influence in South Africa through the Federale Mynbou-General Mining-Union Corporation group of companies.

GFSA would be a rich prize for General Mining and the easiest route to gaining control of it would he through Gold Fields in London. Last Octnber there was some buying of Gold Fields shares by Afrikaner interests. Mr. Oppenheimer, it is widely believed, staged a pre-emptive strike.

This week, however, Anglo American and General Mining seemed to have been vying with each other over the size of their expansion plans. The prosperity brought about by metal price rises, especially gold, has set off a new phase of growth in the South African industry.

Aoglo itself announced the development of wbat is in effect a new mine, Western Ultra Deep Levels, adjacent to its Western Deep Levels mine. The cost will be R715m (£379.6m) and the first stage, involviog a new twin shaft system, will be operating by 1986.

The development will be financed from the profits of Western Deep, but given the tax concessions which are available for capital expenditure and tbe high level of the bullion price, it does not look as if dividend payments from Western Deep should he unduly affected.

Anglo also raised the possibility of a new mine oo the Eastern Rand for Sonth African Land and Exploration. The mine would be based on an area near the old workings of the company and on the abandoned workings of tbe defunct Van Dyk Consolidated Mines.

Preliminary studies have heen completed and a detailed feasibility study is to be undertaken. Assuming a decision to go ahead, South African Land will be given a new lease of life. Since 1976 its operations have been confined to treating old waste dumps in its mine area, ao exercise which has been made profitable by the advance in the bullion price.

For its part Geoeral Mining is contemplating a R1bn project to establish an oil-from-coal plant using coal from a site about 100 miles from Pretoria. Coal has already been shipped from the deposit for testing at overseas conversion plants and the group said the results had been eocouraging.

A fioal decision on the project, which will not use the same techniques as Sasol, which has been producing oil from coal since 1955, will be mada in the next year or so. An additional attraction for Geoeral Mining is tbat the deposit also cootains uranium in significant quantities and molybdenum in smaller amounts.

Consideratioo of a project of this size emphasises General Mining's aim of expansion in the eoergy field, contrasting with the development by Union Corporation of precious metals interests.

● Conzinc Riotinto of Australia, which is 65.5 per cent owned by Rio Tinto-Zinc of London, boosted profits in line with the general industry trend. Net profits for 1979 were A$135.32m (£71.8m), 76 per cent higher than in 1978. A final dividend of 10 ceots (5.3p) gives shareholders total payments for the year of 15 cents against 10 cents in 1978.

● Utah Development, the U.S.-controlled group, which is the biggest coal producer in Australia, had 1979 net profits of A$139.1m (£66.5m), only marginally higher than in 1978, but its future prospects have been brightened by the signing of a new eight years supply contract with Japanese steel mills for its new Norwich Park mine in Queensland.

● Phelps Dodge, the U.S. copper producer, more than tripled 1979 net earnings to $110.8m (£47.9m) from $30.1m in 1978. Copper sales were at record level as excess stocks around the world were reduced.

NORTH AMERICA
£18.3m

Amcon Group (100%)
USA and Canada

Azcon Corporation
Steel and drilling rigs

Gold Fields Mining Corporation
Exploration for gold and silver

EUROPE
£30.2m

Enrcon Group (100%)
Amey Roadstone Corporation
Construction materials

Alumasc
Brewery containers and equipment and specialist coatings in UK

Tennants
Export finance and metals trading in UK and Europe

CONSOLIDATED GOLD FIELDS
1978-9 pretax profits: £113.8m

SOUTH AFRICA
£40.8m

Gold Fields of S.A. (46%)
Direct interests in the Group's administered mines in S.A.

Minerals: Gold, coal, tin, lead, zinc

AUSTRALIA
£24.5m

Consolidated Gold Fields Australia (70%)
Direct interests in the Group's administered mines in Australia

Minerals: Tin, mineral sands, coal, copper, silver

CGF Iron (100%)
Iron ore in Western Australia

YOUR SAVINGS AND INVESTMENTS

Tim Dickson looks at the recent revival of investment trusts

A sudden glimpse of daylight

IF YOU are prepared to keep faith with equities over the coming months, then look carefully at investment trusts. Events this week provided further evidence that 1980 could be a turning point for the whole investment trust sector.

Take Wednesday's announcement of outside interest in City and International, the £20m trust run by Philip Hill (Management). Tha company'a directors emphasised that discussions are "at too early a stage for the board to predict the outcome" but nevertheless, besides fuelling City and International's own share price, the news gave added impetus to an already excited investment trust market.

Trusts have been among the top performing stock market sectors over the last month, e point emphasised by the narrowing of the investment trust discount to around 25 per cent last night. At the beginning of the year it was still hovering above 30 per cent. (The "discount" is the *difference* between a trust's asset value and its share price and is e handicap which in varying *degrees* investors have had to contend with for the last eight years.)

It is true that takeover hids have been a recorring feature of the investment trust sector over the past four years. And realists rightly point out that investors have seen plenty of false dawns before now. Shares heve moved ahead in anticipation of further hids only to fall hack as hopes were unfulfilled.

There are however, a numher of reasons for thinking that a more permanent rerating may be in progress. Investment trusts, like unit trusts, were originally established to buy shares in other companies and thereby give investors access to a *wide range of equities.*

Both types of investment vehicle have lost many of their *adherents* as a result of the bear markets of the last decade. But while unitholders are able to get out at near to asset value, investment trust shareholders first have to find a willing buyer for their shares in the stock market.

A serious excess *of supply* over demand has consequently tended to widen the discount, a fact which has intensified *in*vestors' suspicioo of investment trusts.

There are now *real signs*, however, that a significant number of investment trusts will *disappear and restore* something of the balance hetween supply and demand. Not only are developments at *City and* International being eagerly anticipated but the rumour is that *a much* higger *trust* could be knocked off its perch next week.

Besides this, 1980 has already witnessed Rothschild Investment Trust's hid for Hume Holdings and through Hume the same group's unitisation proposals for the Carliol and Tyneside investment trusts.

Meanwhlle Mercantile Investment Trust's annual meeting could be an important turning point and the event will be watched anxiously by investment trust managers and shareholders. Mercantile successfully fended off a motion calling for its liquidation, but at the same time *certain* institutions gave the directors two years to spice up its image and *performance.*

Most analysts, however, feel that these big shareholders now have more stomach for the fight and one adds, perhaps a touch theatrically, that the *future* of the investment trust sector "will be fought out over Mercantile's body."

Another stockhroker, Mr. Garth Milne, of Laing and Cruickshank, argues that it is the current variety of hreak up proposals which makes *him* bullish about the investment trust sector.

"In *the* past the bids have come largely from pension funda but this time there are *unitisation* proposals, *signs* of interest from industrial companies and the poaltive lead of a blg institution in the form of Rothschild Investment Trust.

"The institutional shareholders have become much more hawkish recently and there is a momentum which I do not think will easily disappear."

While takeover interest undoubtedly dominates the investment trust acene at the moment, attention has also been focused on *trusts* with *specialist* portfollos. One fundamental reason for the lack of demand for investment *trust shares* is the make-up of many of the trusts' portfolios — too many are overweight with large hlue chip companies which (largely institutional) investment trust shareholders can easily buy themselves.

Many investment trust managers, on the other hand, argue that general funds fit in with their aim of *general* portfollo management—specialisation, they say, has its place hut should *not be a trust's main* function.

Nonetheless trusts like RIT and London Trust, which have added small and unquoted companies to their portfolios, have in many cases moved from higher than average to lower than average discounts over the past year.

Further signs of specialisation, were announced last week. Throgmorton Trust announced that it was paying almost £4m for the one quoted and four unquoted companies in Capital for Industry, a subaidiary of Grindlaya Bank.

Electra Investment Trust, which avowedly concentrates on *specialisation*, gave further proof of this policy hy increasing its stake in Heywood Williams to an unusually large 12.6 per cent.

What are private Investors to make of these developments? It is well to rememher that the investment trust market is now largely dominated hy hig institutiooal investors who traditionally move in and out of trusts io accordance with the level of discount.

Institutions *may* now be showing more selective interest in the sector but their tendency to "*play the discount*" is still likely to he a hazard for the small man.

It is probably wise therefore to concentrate oo picking a *good stock* rather than hanking on a further narrowing of the discount or napping the next takeover candidate.

Many of the specialist trusts have been rerated over the past 12 months hut over the long-term these may still be the hetter bet.

Current Annuity Rates available on an investment of £10,000

Man aged 65: Company	Annuity £	Woman aged 60: Company	Annuity £
RNPFN*	1,846	RNPFN*	1,581
Sentinel	1,816	Sentinel	1,581
London Life	1,793	Norwich Union	1,563
Royal	1,793	Sun Alliance	1,548
Norwich Union	1,781	Royal	1,547
National Empl. Life	1,777	London Life	1,540

* Not available to the public

Source: Planned Savings Rate Guide

Get ready to act

MINIMUM Lending Rate remains at 17 per cent and if the market is proved right, the Government will not hring it down until well after the Budget. Investors considering buying an annuity, nevertheless, should watch interest rates carefully and be prepared to act quickly. Otherwise they will miss attractive offers now available.

The performance of annuities since the start of the year illustrates how volatile top rates are at the moment. Yields of 10 year gilts in January moved lower in anticipation of a cut in MLR. But when it became apparent there would be no early cut in MLR. yields went back to their original levels.

Life company actuaries tend to wait before changing their annuity rates to take advantage of higher interest rates. Unfortunately for investors this happens more when interest rates are rising than when they are falling. If the actuary is slow to change his rates when interest rates are rising, he may lose business but he will not lose money.

If he is slow when interest rates are falling, he will do plenty of business and lose money as a result. Hence his reactions are quicker with interest rates likely to fall, especially as annuity quotations are held for at least a week—these days a long time in the gilt market.

Annuity rates appear stable at present but they could be cut without warning. The more cautions investor should buy now particularly the self-employed nearing retirement.

They should *remember that* they do not bave to stop work in order to draw a pension from their *life* contract.

The only condition is that they have reached age 60.

Eric Short

Too early to plunge

INVEST IN AMERICA — but not yet. Such is the view of London analysts of last week's Wall Street surge, which took the Dow Jones index up through the 900 mark to its highest level for 17 months.

The *fragility* of the *American* mini-hoom was exposed hy the tumhle which the market took at the end of the week. The indications are that the year will see more gloom, says Mr. Bryan Baughan, analyst with stockhroker Hoare Govett.

"We're looking for a weakness in the dollar, end moves In the economy to strengthen the dollar, leading to a fall in the equity market," he says.

Mr. Brendan Brown, currency economist at Amex Bank, agrees. "My view is a pessimistic one. There are a number of special factors why equities are going up—some profit-taking on gold is going into equities, plus the strengths of eoergy and armaments. Our view is that the recession will come in the second or third quarter," he says.

For the British private investor, a move into U.S. equities would prohahly mean taking money out of their UK counterpart. For the moment, the UK market is surprisingly buoyant, despite the damaging industrial effects of dear money and a strong pound, and investors with a good spread of domestic equity holdings through unit trusts are comfortably placed.

Nonetheless, there are good reasons for lookiog to an opportunity for diversification into a foreign market. Such a "safety play" gives a degree of protection againat an abrupt downturn in any one country.

The U.S. is attractive in this respect although few look to the dollar for exciting appreciation prospects. American industry is well supported by domestic resources and markets, giving a certain resilience in times of recessioo.

For the investor seeking security rather than opportunities for active investment, a holding of *perhaps* 20 per ceot of portfolio funds in U.S.-investing unit trusts is recommeoded by ooe *City analyst.* According to the magazine Planned Savings, the top four specialist U.S. unit trusts over the last three years were: GT U.S. and General M and G American, Allied Hambro Securities of America and Gartmore American.

Approached with the correct alloy of caution and adventure Investing in the U.S. through an investment trust could also prove rewarding. Now free from the dollar premium, and finally all exchange controls, their managers can no longer find themselves immobilised by investment apparatus. There should be more flexibility, and fewer of the badly-calculated foreign currency borrowings which have done so much damage inthe past.

The big question of course, is one of timing. The U.S. recession has been rolled hack for many months *now*, and some eveo look to a war-footed economy to roll it away altogether. But eveo that unlikely situation would not fundamentally benefit equities, since it would tend to lead to higher inflation, tighter money supply controls, higher interest rates, and lower equity prices.

There is the possibility that the uncomfortahly fragile strength of both sterling and tha UK stock market could give way in the mean time. But harring that eventuality, the U.S. should provide attractive buying opportunities in the latter part of this year.

Robert Cottrell

Pocketful of rye

COMMENTATORS ARE predictably singing a song of sixpence, after an announcement in Parliament this week thet they will cease to be legal tender from the end of June. The development effectively hammers a final nail into the coffin of pre-decimalisation coinage.

Coin collectors however, should not be influenced by the wave of nostalgia and will be better advised to keep their minds on "a pocketful of rye." This sums up the value (and *likely future* value) of most of the once femiliar coins.

The aixpence admittedly has a long and *distinguished* history. First minted in pure silver in 1551 it continued to be mede in this form until 1919, after which no more than half the coin consisted of the precious metal. Since 1946 all sixpences have heen struck in cupro nickel (the alloy used in all UK circulating coin) though no new ones have been made since decimalisation day in February 1971.

Coin enthusiasts, hoerders and indeed anyone who possesses a tanoer or two now have until June 30 to hand them in and *receive in exchange* the decimal value of 2½p per sixpence. In most cases they should take the opportunity to *do just this.*

The Treasury estimates that around 200m sixpepces are still io circulation.

Undoubtedly sixpences minted since 1946 are as they say two a penny hut only those produced hefore that year which are in excellent condition will command a significant premium over their face value.

Mr. Mark Rasmussen, a coins expert at Spink and Son, said: "It is a waste of time hoarding sixpences. There are very few rare 20th-century coins and just about anything io circulation would *almost* certainly be cupro nickel."

Given tha present price of silver, It is not *surprising that* some of those who haven't been keeping their pre-1946 sixpences have instead been melting them down. Just in case you are planning to pop yoor collection into a teapot, however, do remember that this is strictly a criminal offence.

The theory is that the poor old taxpayer who paid for the coins to be minted in the first place should benefit from any profit arising from their use later.

This legal restraint bas obviously not deterred a number of operators who apparently spend much of their spare time sorting through hundreds of sixpencea picked up at their local bank. This is apparently so widespread that in an effort to discourage the treasure hunters banks have taken to passing rouod their dud bags from hranch to branch.

Tim Dickson

Paying for the old school tie

Eton higher fees?

PRIVATE EDUCATION *costs* continue to soar. Fees at some top hoarding schools now exceed £1,000 a term — that's £3,000 a year — and some schools are even reluctant to qnote parents an annual rate.

But the idea that privata education is only for the rich *is disputed* hy Parkdale Management Services, the latest company to offer a achool fee advisory service. It has just launched a low-start fees plan which it claims will hring private education within tha reach of many more families.

SCHOOL FEES

ERIC SHORT

The first point to rememher is that parents wishing to participate in this type of scheme need *to start* saving early, at least 10 years before the fees are required.

This often means that the father is comparatively young when he starts to save and the amount that he can afford to put by is limited. The Parkdale plan offers high death cover and final henefits but it is structured so that the premiums are comparatively low in the first year and *rising* each year to a maximum after five years. The scheme is hased on Legal and General's low cost with-profit plans.

The theory is that the father's earnings will rise each year, with promotion and with salary inflation to keep pace with the rising premiums. With the normal level premium schemes, the father may find it a financial strain to meet the initial costs.

Take, for example, a father aged 33 saving for fees due to start in 10 years' time. Assuming inflation averaging 10 per cent over the next 15 years, the current annual fees of £3,000 will be £7,781 in 10 years' time and £11,392 in 14 years.

The Parkdale Plan consists of five separate low-start with-profits policies with L and G. The estimeted maturity value on current bonus rates produce the required amounts to cover the cost of the fees. The premium is £101.35 net monthly in the first year, rising steadily to £202.70 in the sixth and subsequent years until the first policy matures. Afterwards, the premiums drop each year.

The initial death cover is boosted hy adding decreasing term assurance contracts, to cover any shortfall should the father die in the early years.

For comparison's sake, the level monthly premium on a cooventional plao needed to provide the sums in the above illustretion would be £160, dropping after the 10th year.

Parkdale'a scheme, incidentally, is not new even though in its publicity material it uses that overworked word "unique." The other established specialists in this field, C. Howard and School Fees Insurance Agency, both offer low start plans. SFIA not only uses the Legal and General low-coat plans, hut has designed plans using with-profits contracts of other life companies such as Friends' Provident.

Decreasing term cover is also employed. With this approach the montbly premium in the first year is £36.48 rising to £221.31 after five years. Under the Howard low-cost scheme the premium starts at £82 a month and rises steadily es circumstances permit.

IN BRIEF

THE NEW National Savings Certificates 19th Issue seem to have got off to a reasonable atart *according* to staff at the Durham office of the Department for National Savings, sales in the first week amounted to £66m, compared with the £61m taken just over a year ago during the first week of the 18th Issue.

Building society men, meanwhile, must be tremhling in their boots. Last month the aocieties collected £265m in net new receipts, a big improvement admittedly on the December showing, but still less than half the amount needed to satisfy mortgage demand. All this before the 19th issue's arrival on February 4.

The 19th issue, which returns 10.33 per cent tax free over five years, is highly attractive to high rate taxpayers and tempting to those on the basic rate. Remember that you are allowed up to £1,500 of the new certificates, regardless of holdings in any previous issue.

* * *

SOME INVESTORS epparently did not make it to their hank on time. If you are one of the handful of BP sharebolders who failed to meet the February 6 call for the 213p outstanding on November's partly paid *issue*, then hurry up.

Interest on the unpaid *balance is clocking* up at 22 per cent and if you hang around too long you could conceivahly forfeit the original 150p per shere which you subscribed. You should send your cheque to the appropriate receiving bank on the original epplicetion. If it is any encouragement BP share have been moving smartly ahead and last night stood at 398p, a tidy 48p above the Government's offer price.

T. D.

When plain English is too plain

INSURANCE

JOHN PHILIP

"*THE MAJORITY* of people find legal documents very difficult to understand, and if a document is worded in an obscure way, will tend not to read it. I am well aware of the difficulties of putting into simple terms the meaning and effect of legal language. There is always the riak that simplification will distort rather than clarify."

These are the words of Mr. Gordon Borrie, Director General of Fair Trading, at a lunchtime talk in the City recently. He was talking to insurers, about insurance, though the words I have quoted are surely as appoaite to car hire contracts, television rental contracts, property leases, to name hut a few.

In all sucb contracts, and in all other contracta for the supply of services, there is a need for verhal precision, exactly to delimit the rights and liabllities of the parties: such precision shonld not result in ohscurity, but undoubedly makes for more difficult reading for the layman than do *the colnmns of one of* the "better quality tablolds," whose English was commended by Mr. Borrie.

But such English is all too often imprecise—nnd lack of precision in an lnaurance contract must cost insurers money *because of* the "*contra proferrentem*" rule—the rule that saya that where the words used can have more than one interpretation, there the policyholder must be given the benefit of that interpretation most favourable to his claim.

So before any of us go too far in supporting Mr. Borrie's pleas for *simplification*, let us pause and remember who uitimately must pay for any *imprecision* that *simplification* involves.

It will not be insurers, whose margins in persooal lines husiness are insufficient to eccommodate extra claims costs, but you and I, the policyholders, who will have to pay more premium to enable insurers to meet any extra cleims.

Since the beginning of the year, two major composite insurers, General Accident and Phoenix, have each introduced new home contracts employing for the most part the kind of simple wording that Mr. Borrie advocates. Both insurers provide with the policy further explanatory material — commentary, diagrams and so on, hoping to remove any *uncertainties* that exist in the pollcyholder's mind. All credit to them for their efforts.

Both insurers declare that this explanatory material is not part of the policy—but in each case it is so closely interlinked that the *courts* might well take this explaoatory material into account in interpreting any disputed words.

With all respect to the policy draftsmen, does not the very existence of this extra explanatory material call in question the effectiveness of their work on their basic policy wordings?

Praising this kind of policy, Mr. Borrie declared that he had heen looking to other major *companies* to follow suit—he clearly wants this kind of contract to hecome commonplace. But many insurers may doubt there is need for any haste.

The question which must trouble anyone drawing up a contractual document is how far to go down the road of simplification. Does he cut out all words of more than four syllahles, of more than three, or what? What range of vocahulary, and more specifically, what particular legal/technical terminology does he *employ*?

Are we now heading for the day when a legal document is virtually *indistinguishable* from a strip cartoon?

Clarity is of the essence, and no insurer wants to perpetuate the kind of language beloved of Dickensian petty fogging conveyancers. But the majority of insurers have swept away "whereas" and "heretofore" and other simllar phraseology, have stopped writing complicated clauses with double negatives, with exclusion built into exclusion.

Layouts bave been changed, and most of the often criticised small print has been banished. This may be condemned es the process of gradualness, but if you compare a modern policy with one issued even ten years ago the difference is obvious.

As I have said, insurers need precision, the public needs clarity; these needs are not incompatible—bnt the old proverb "more haste less speed" is one that the draftsmen oeed to remember.

PROPERTY

A little place near town

BY JUNE FIELD

OLDER BLOCKS of apartments in such London locations as Bloomsbury and Marylebone, Stoke Newington and Stepney, popular for their closeness to the commercial and business centre, are the latest accommodation to get a face-lift.

Fairview Estates, an Enfield-based company, sees its refurbishing activities as a major earner likely to grow in importance and stature.

"Within the overall housing market, the product handled by the refurbishment team is an important one," according to the investment and house-building group whose profits last year were £7.2m.

"Homes, essentially new ones, are created in areas where it is difficult, if not impossible, to buy housing sites and build from new. Within a price range from £19,000 to £100,000, these are providing homes both for young people working in town who do not want to spend a lot of money on fares, and for older purchasers seeking superior type accommodation in convenient locations."

Dealing by the company in this area of the property market has snowballed. Blocks of vacant flats are bought for renovation and sale, or a partnership arrangement is made with the owners, with Fairview handling the planning, renovation and marketing aspects on a profits split.

Newly modernised one-bedroom flats with gas central heating are for sale from £39,995 to £54,995 at Oxford and Cambridge Mansions, an Edwardian block in Old Marylebone Road, NW1, not far from Edgware Road and Marylebone stations, and there are some units at Leytonstone, E11, from £14,950.

The 21 bed-sitting room flats from around £19,250 including carpeting, and a kitchen with cooker and refrigerator, at Jenner House, Hunter Street, Bloomsbury, just around the corner from the Brunswick Shopping Centre, are nearly all sold, although there are some one-bedroom flats still on offer from £29,500.

Flats at Knollys House, Tavistock Place, and Trinity Court, Grays' Inn Road, both WC1, and Gibson Gardens, Stamford Hill, N16, are due to be on the market soon.

For brochures contact Stephen Casey, sales and marketing manager, Fairview Estates (Housing) Ltd., Refuge House, River Front, Enfield, Middlesex (01-366 0187). The company says mortgages are readily available through their own arrangements with leading building societies.

Conversion is under way too at Cliffords Inn, Fetter Lane, off Fleet Street, along from the Law Courts. Developers have bought up the eight-storey, part-tenanted block of late thirties vintage, built on the site of one of the city's oldest Inns of Court.

A gradual moderisation programme includes entryphone and closed-circuit television security systems, transformation of out-dated corridors and entrance hall, plus the provision of telex and copying facilities, car hire, theatre ticket and travel services, etc.

Thirty to 40 of the 100 apartments are for sale on 100-year leases, and substantial discounts are being offered to existing tenants so that they can buy. Some of the units are intended as easy-to-run pieds à terres, and the smart one-room "studios" or "efficiency apartments" as the Americans call them, are undoubtedly the best value at £32,500-£34,500 including floor coverings.

The description "bedsitting room" is a misnomer, as you will see by the smart show flat, which illustrates how sleeping accommodation can be discreetly hidden away in a small sofa.

There is a cunningly contrived fitted kitchenette as well, complete with sink unit, refrigerator, electric hob and rotisserie, all neatly tucked away in a cupboard off the good-sized main room. Storage space is reasonably adequate and there is a bathroom and w.c.

For those who need more space, the price jumps to £61,000 for a separate bedroom apartment, £85,000 for one with a full-sized fitted kitchen and two bedrooms, one of which opens off the sitting-room to make a larger more impressive living-room.

Still being given the full treatment is the three-bedroom, two-bathroom, double reception area top-floor apartment with a somewhat heavy price-tag of £250,000 on it. Brochure from Daniel J. Lachs and Ian Nightingale, Charles Price & Co., 1 Berkeley Square, London W.1. (01-493 2222 and 491-3304), who are supervising the project. The show flat flats are open Saturday and Sunday 11 am-4 pm, Monday to Friday 12 noon-3 pm.

Druce and Company has just negotiated the purchase of the freehold interest in the Spitalfields Estate, E.1., on behalf of the Pearl Property Co. The estate, in the Spitalfields conservation area, adjoining the market, was completed in 1864 by the Peabody Trust, established by George Peabody, an American philanthropist.

The trustees were given £150,000 to "ameliorate the condition of the poor and needy of this great metropolis and to promote their comfort and happiness."

The estate has been empty for some years and Pearl Property is planning to renovate the building to provide 70 self-contained flats, mainly one-bedroom, with some two-bedroom and studio units. Prices are expected to be similar to those in Enfield Cloisters, a Victorian block in Fanshaw Street, N1, where Pearl has renovated 80 one-bedroom flats, of which 90 per cent have been sold at between £19,850 to £22,750. For details on the remaining accommodation available, contact Mr. B. J. Gordon, Druce and Company, 1 Heath Street, NW3, (01-435 9851).

In South London, Drayson Properties is undertaking various conversion projects, working on three different sites to provide a total of 41 flats. All are in substantial Victorian properties in Leathwaite Road, overlooking Clapham Common or Wandsworth Common.

The main project is 74-82 The Chase, SW4, a terrace of five houses where work has gone ahead on the second stage of a conversion involving one- or two-bedroom units being sold on 99-year leases at a ground rent of £50 per annum. They include individual gas-fired central heating, carpets throughout, quality bathroom and kitchen fittings, and built-in wardrobes.

The first phase has been sold at prices ranging from £25,000 for one-bedroom to £32,000 for two-bedrooms. Details as to what is on offer from John Gorst, director, Drayson Properties, 85 Rectory Grove, London SW4.

Victorian terrace houses, 74-82 The Chase, London, SW4, are being converted to five 1-2 bedroom apartments for sale from £25,000-£32,000 including carpets. Details John Gorst, Drayson Properties, 85 Rectory Grove, London SW4.

Roses all the way

GARDENING

ARTHUR HELLYER

GARDENERS TEND to become argumentative about rose pruning. Some insist that it should be completed by the end of February and others are equally sure that it should not be started until mid-March.

There are hard pruners and light pruners and some with peculiar systems all their own. What is most illuminating is that they all seem to get good results and many win prizes with their roses though they prune them in quite different ways.

It may well be that the advocates of late pruning have learned by experience that in their conditions early pruning results in premature growth and much damage from spring frosts.

Hard pruning is a method of restricting and concentrating growth and may be necessary for weak varieties or for the production of large flowers from not very good rose soil.

There is certainly no single right way of doing anything with plants. They can be as highly individual as animals and need to be lived with to be understood reasonably well.

For my part, unless I know from experience that it does not work for some varieties or in some places, I prune roses in a manner which helps them to do the things they try to do for themselves.

One of these is to replace old growth with new. Wild roses do this by the simple process of letting the oldest stems weaken and die. They are not concerned with the appearance of things, only with the job of keeping on growing and they do this by producing sucker growth direct from the roots This takes the place of the dead and dying stems which in time rot and return as food to the soil.

Exactly the same thing happens in neglected gardens but since purchased roses have nearly always been budded on a rootstock, the suckers will resemble this and not the garden variety it is supposed to be supporting. The rootstocks quickly take over and after a few years the garden roses will have disappeared, their place taken by wild briars.

So the first essential, if one is dealing with purchased roses, it to remove all growth that comes direct from the roots and not via the main steam above the point at which the rose bud was inserted.

This is really a spring and summer job for that is when suckers are produced and the sooner they go the better. I stress the point that this applies primarily to purchased roses since those raised at home from cuttings or layers present no such problem.

They are on their own roots, the growth they produce is alike wherever it comes from. Every living shoot, even a sucker, has the ability to produce flowers just like those of the parent plant.

So "own root" roses can be allowed to sucker just as freely as is convenient and it is good practice to retain a few of the best suckers when pruning so that they can replace stems growing from old wood that is losing its vigour.

After dealing with suckers, what about the top growth? If the roses are young, it is simple. Cutting out the weakest and shorten the rest a little to encourage them to branch and make a good bushy plant. As the rose bushes age some of the stems will lose vigour and produce little good new growth.

These are the ones to remove first when you come to prune them in late winter or early spring, and personally, if I were new to the district I would take local advice about the best rose pruning time, or do it during the second half of March which is always safe though not always the best possible time.

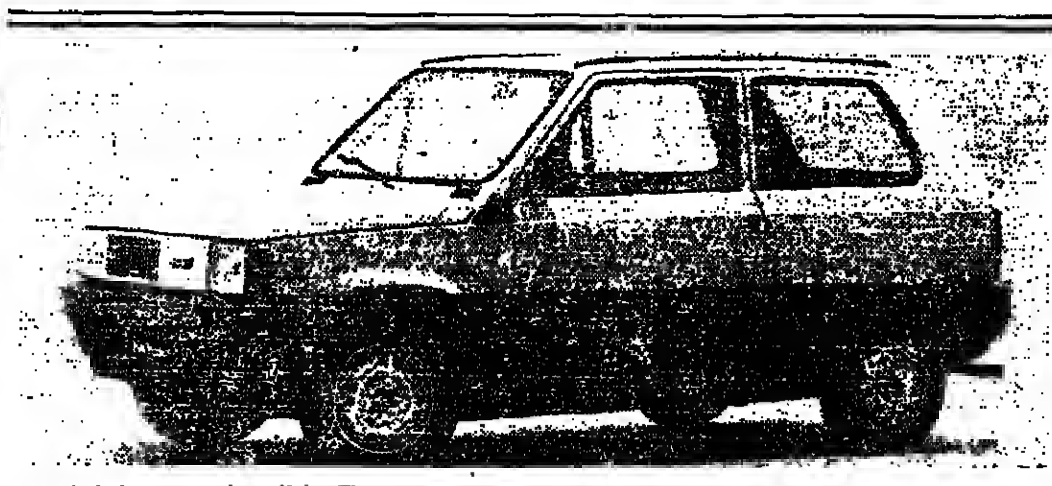
When this is done, there may still be weak stems. Remove them, along with dry dying or damaged growth. Die back, the commonest winter disease of garden roses, tends to attack stems part way up where they are soft and vulnerable to damage, so giving the fungus a chance to enter the stem.

The popular name describes the disease excellently. Attacked stems die downwards from the point at which the fungus entered and in severe cases the whole stem may be destroyed. Quite often it is not, and at the base, where it is riper, it remains undamaged. Then it is quite safe to prune back making each cut just above a well defined growth bud that can be seen to be alive and healthy.

All that remains is to deal with the stems that are undamaged and reasonably vigorous. At this point one can forget about what the rose might like to do for itself and consider what is expected of it in the garden.

Shrub roses, ideally big and busby, will probably not require any further cutting. Bedding roses can be pruned according to the size one wants them to be. Is it as big as possible? If so, cut lightly or hardly at all. Or is a moderate size plant required with some extra good flowers? Then prune much harder, shortening the best stems by half or two-thirds their length and weaker ones to a couple of growth buds.

MOTORING/TRAVEL



Practical, but not unbeautiful. The Fiat Panda 45 manages to look attractive despite its simple body shape and flat glass windscreen. Its bumpers are shock absorbent and the plastic coated sides, scrape resistant. The front-drive 903 cc power pack is from the Fiat 127.

Trendy small workhorse

BY STUART MARSHALL

IN ITALY last week I drove what will undoubtedly be one of the three trendiest small cars of 1980. The other two are the front-wheel drive Ford Escort replacement, until recently code-named Erica, and the Mini Metro. This one is the Panda, and it is the first on the scene.

Rumour had it that this latest *baby Fiat was to have* been called the Rustica. Luckily, someone pointed out that while it might have a certain charm in Italian, its connotations in English were hilarious and potentially damaging. So Panda it became.

It is an addition to Fiat's small car range. The Panda is *larger than the 126, which continues* to provide ideal city centre transport for buyers who value its sub-miniature size and care little for its lack of interior space.

Even though the 11 ft 1 in Panda is 10 ins shorter than the Fiat 127, whose 903 cc engine and four-speed gearbox it shares, it will hold five adults. But it is more than just a passenger car. Fiat says it fulfils a multi-functional role. By this it means that by fiddling with the seals you can convert the rear one *into* a hammock for a young child, or remove it altogether and carry the tools of your trade, half-a-dozen hounds or some bales of hay. Together, front and rear seats can be folded to become a double bed.

In essence, the Panda combines the virtues of a city car—it felt very much at home in Rome's rush hour, which makes London's seem a gentle, well-mannered affair—and a *bucolic* maid-of-all-work like the Renault 4.

And it looks nice, too. Bodywork designer Giugiaro, of Volkswagen Scirocco and Lancia Delta fame, saw to that. Yet it is also exceedingly practical and easy (which means cheap) to produce. The body panels are of simple though not inelegant shape: the glass is all flat, even the windscreen; the bumpers are of shock-absorbing plastic, like the Fiat Strada's; and the sides are protected from minor assault by an extremely tough *plastic coating, said* to be ten times more abrasion-resistant than paint.

How does the Panda go? Here I find myself in some difficulty. The Panda's existence has been an open secret for some months. Just before Christmas, Fiat leaked a few particulars—and my picture—*because certain Italian* motoring magazines had let the cat out of the bag. One is even alleged to have "borrowed" a Panda that Fiat was testing while the driver was taking refreshment. They returned it half an hour later, having minutely examined it and photographed it from every angle.

Whether the story is true or not I cannot say. But the fact remains that a magazine I bought on a Turin bookstall in December had a ten-page, fully illustrated description of the Panda, *cut-away drawings included.*

However, the journalists from all over Europe who were Fiat's guests in Rome last week were required to observe an embargo on publishing further official details, driving impressions included, until tomorrow. So the Sunday *papers* here and abroad *can* tell all. The most I can honourably say at this moment is that the Panda, as might be expected of a car that is powered by the 127's engine but is smaller and lighter, goes very well indeed.

Nor is it unrefined. Even at the 140 km/h (87 mph) maximum Fiat has officially admitted to the Panda was not frantic though clearly hard worked. Fuel consumption should be unusually good. Fiat claims 48 miles per gallon at a steady 56 mph; in normal day-to-day use it could be around 40 mpg.

The Panda goes on the market first in Italy, then in France and Germany. It will be at the Birmingham Motor Show this October and in British showrooms next year.

Look! no dent

THOSE GREAT plastic bumpers on the Saab 900 may look like tugboat fenders, but just how money saving they can be I discovered by accident the other day.

I was driving through South London in a 900 GLS automatic when the car in front of me stopped. *So did I*, but the Alfasud behind me didn't. There was the usual crunching thud and tinkle of broken glass. I got out to discover that the Alfasud had lost a headlamp and that its grille was pushed in. A thin stream of antifreeze trickled from a burst radiator. It had to be towed away and the driver told me later that his repair bill would be about £300.

And the Saab? It was literally unmarked. It will be *a black day for body repair* shops when all cars have such strong and sensible bumpers, *a good one for motorists who* nowadays live in fear of losing no-claim bonuses.

Still inland water

BY PAUL MARTIN

ONE OF the enormous attractions of inland waterways *is their insinuation into* countryside far from roads and all the nasty paraphernalia *associated with them. Having* graduated from the Oxford Canal to the Danube on a marathon, if eccentric, canoe venture last summer, I can confirm that this applies to waterways of all sizes.

There are stretches of the Danube more akin to the *Amazon* than Central Europe and, on a smaller scale, the same is true of the Cherwell Valley not many miles from this *typewriter*. Equally they may lead through the heart of Europe's finest cities, touch upon towns and villages firmly rejected by motorways and autoroutes, link sites of history-making significance (waterways have always been a magnet for traders and invaders) or open up vistas on a totally different *way of life. All of* which goes to show that you need to choose your stretch of waterway just as carefully as any other holiday route.

In Britain, there are over 2,000 miles of navigable waterways through settings ranging from the heavy industrial to the utterly sequestered. The biggest *selection of holidays afloat* is of the do-it-yourself variety, and the programmes of such major agencies as Hoseasons, Blakes and Boat Enquiries give much information on vessels available for hire, the characteristics of different waterways, and the basic do's and don'ts of waterways behaviour (Boat Enquiries are particularly good on this). The difference in rentals between the high season and rock-bottom low season is quite startling—indeed, costs are often halved. *The shortness of winter daylight* hours and the corresponding length of winter evenings should be taken into consideration, however, and the itinerary planned accordingly.

The alternative to skippering-yourself is to book on an hotel-boat cruise. Accommodation is usually for 8-12 passengers, with the emphasis on informality, and I am told the standard of catering is high. Some include sight-*seeing excursions. Boat* Enquiries market a number of UK hotel-boat arrangements at prices ranging from about £55-£70 for three days and £105-£140 for a *week*. Seasonal price differences in the case of cruises are slight or non-existent.

There are also some rather plush arrangements by operators such as Continental Waterways in which particular attention is paid to meals (table wines are included in the cost) and shore excursions with the barges' own minibuses. Cost on the Thames between Windsor and Oxford is £130 for 3 nights, £245 for six.

Continental Waterways are among those *offering a particularly* wide range of inland waterway cruises in France, their *geographical* canvas including Brittany, Alsace-Lorraine, and the beautiful Midi waters linking the Languedoc and Bordeaux areas. The price for six nights is £245-£385, excluding travel to France, the higher costs featuring cabins with private shower and toilet. The cruises *on* the upper Loire, the Yonne *and linking canals by* Inland Voyages (marketed by Cox and Kings) are from £349-£400 *ex-UK, covering a night in* Paris as well as the six-night cruise aboard a converted Dutch clipper. Under the command of a captain who has a deep love and knowledge of the French waterways, these cruises offer an intimate insight into French rural life. The arrangements of both firms include excursions and the availability of bicycles for private exploration.

Cox and Kings also market self-drive vessels in France, as do Blakes and Hoseasons. The most popular areas are Brittany, Burgundy and Central France, and the waterways of the south. With Hoseasons, two weeks in the Camargue, for example, cost from £225-£277 per person (for a party of four) in the high season, including return ferry crossing with car; for an extra £60 per person you get the return flight ex-Gatwick, with transfers, instead.

As well as France, Blakes feature the Dutch waterways of Friesland and south Holland; high season charges from £188-£218 for two weeks for each of *four cover return crossing with car.*

It is worth noting that there are quite sharp drops in price during periods immediately preceding and following the high season, which varies from region to region but can be as late as up to mid-July or as early as from mid-August.

Finally, there are the cruises of almost oceanic proportions on the Rhine and the Danube. Both are marketed by DER Travel Service, and cruises on board Soviet ships (the most numerous on the Danube) by CTC Lines. I find it quite astonishing that the Danube cruises are so little known in the UK, for their itineraries through or bordering seven countries offer incredible scenic, historic and *cultural variety*. Costs for the Rhine cruises are from £137-£536, depending on category of accommodation and length of itenerary; those for the Danube will be available soon.

Addresses: Boat Enquiries, 7 Walton Well Road, Oxford OX2 6ED; Hoseasons, Sunway House, Lowestoft, Suffolk NR32 3LT; Blakes, Wroxham, Norwich NR12 8DH; Continental Waterways, 127 Albert Bridge Road, London SW11; Cox and Kings, Vulcan House, 46 Marshall Street, London W1V 2PA; DER Travel Service, 15 Orchard Street, London W1H OAY; CTC Lines, 1-3 Lower Regent Street, London SW1Y 4NN.

BOOKS

Right turn

BY C. P. SNOW

Breaking Ranks by Norman Podhoretz. Weidenfeld and Nicolson, £7.95, 375 pages

Norman Podhoretz is the Editor of Commentary. He has been so since, at the age of 30 he took the job 20 years ago. Commentary is a monthly, sponsored by the American Jewish Committee but autonomous in editorial policy. It began by being liberal, in the American sense, and was liberal—or much more radical than that—in the first years of Podhoretz's leadership, during the convulsions of the 1960s.

Then there was a change. Largely owing to Podhoretz, and his judgment of the American and world conditions, Commentary became the most influential conservative journal of opinion in the United States. It still is. Its influence has spread outside America.

This is the story, brilliant, argumentative, in hard earnest, of how it happened. I have just used the word conservative, but that doesn't precisely define Podhoretz's attitude. Americans prefer to call him neo-conservative, meaning in effect that, unlike the doctrinaires of the Republican party, Commentary doesn't intend any attack on the American version of the welfare state. But "neo-conservative" doesn't say enough either. Whiggish would be appreciably more adequate.

Podhoretz and his associates remind one often of some English intellectuals after the French Revolution—first exalted with enthusiasm, then dismayed by the realities and the consequences, searching for other sources of hope, anxious about the fate of the English system, trying to find a respectworthy political base, not finding it for long in Burke (as has been the experience of anti-revolutionaries from their day to this), not instinctive conservatives, still retaining some of the optimism and critical fire of their youth. It is not too difficult to picture the young Podhoretz being made a fuss of in Holland House. They had an eye for talent, and he has great talent. His sardonic wit would have gone down well. They might have found him too positive, energetic, strong willed.

Podhoretz's generation of New York intellectuals emerged from, and still hasn't forgotten, a fratricidal conflict. They are the children of the Partisan Review of the 1930s, in which their seniors had been dazzled, though briefly, by orthodox Communism, and almost immediately became dedicated anti-Communists.

In this respect, unlike their Whig predecessors in England, they threw themselves into ideological quarrels so bitter and enduring that they have carried on until today. To an English reader, unfamiliar with the intensity of Podhoretz's section of New York, this will seem the most foreign element in his book. The English have not often taken ideologies to such fighting-points. Of course, there have always been disputes, sometimes, as over Suez, to an extent which frayed personal relations. But, as a rule, not for long.

We smooth over disagreements, and it is hard to lose a friend through an ideological quarrel. Not so in Podhoretz's world. There it was and is necessary to make one's position absolutely clear as to where one stood on anti-Communism. Were the new radicals of the 1960s sufficiently committed? (They weren't.) Now the McCarthy period is being threshed over, as is occurring nearly 30 years afterwards, and the question arises—which side are you on, Lillian Hellman's or Diana Trilling's?

These quarrels aren't conducted playfully. Podhoretz has become separated, often permanently, from his closest friends. His political transformation of Commentary has cost him violent hostility, and in his own circle, which he has named The Family (the intellectual upper-stratum of Jewish New York) he has been left very much alone. In America as a whole, though, he is now a political eminence.

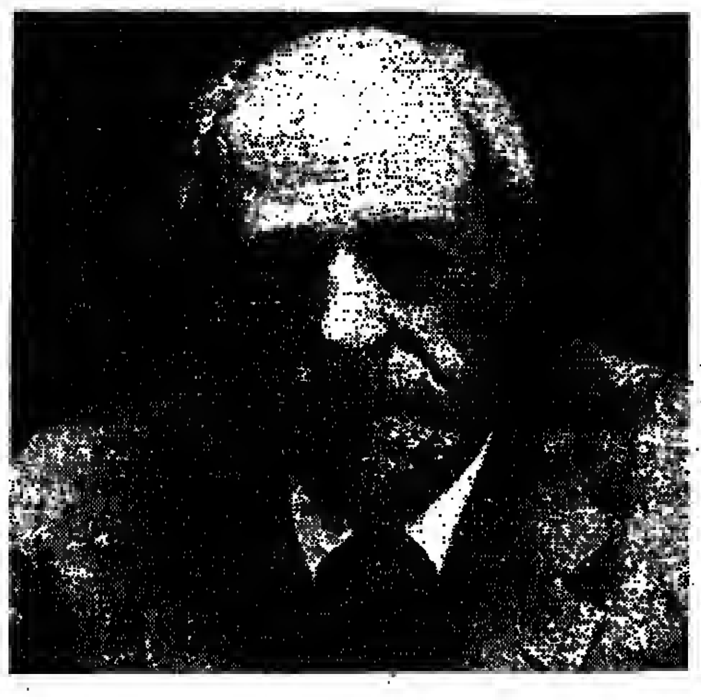
Rightly so. It is extremely difficult, and many have tried and failed, to construct a reputable foundation for modern conservatism. Over here it is done by guerrilla forays, but that is profoundly unsatisfying, especially to the intelligent young. Almost any kind of Marxism, Moscow or Peking or heterodox, has some sort of intellectual structure. To many decent minds, a defective intellectual structure is better than none. It is hard for people to get inspired by social nitpicking. It is even harder for them to be prepared to die for it.

Podhoretz has made, through his journal and his own writings, the most coherent rationale for late 20th century conservatism so far on record—that is, for conservatism in his own country and in Europe. He doesn't attempt to stretch further than that, but it is a brave attempt. He has got hurt in the conflict, since he is a sensitive man, but that hasn't stopped him. He is, it doesn't need saying, highly intelligent. In the harsh struggle between Commentary and its chief antagonist, The New York Review of Books, Commentary has shown by far the greater weight of intellectual seriousness and power. They have had the advantage, which the other journal hasn't, of a firm place to stand.

Podhoretz's is a remarkable achievement, much of it against the grain of our time, and he is a remarkable man. He is ambitious, and got into savage trouble for saying so. He is ambitious, first of all, for influence. It is the way in which young men of quality ought to be ambitious, and Podhoretz was young when all this started.

Most English readers will find warnings applicable to contemporary Britain in *Breaking Ranks*, especially in the campaigns that Commentary is fighting against the sillier items in the liberal package deal. Some of these, probably most of them, are going to blow eastwards towards us. Such as the concept of quotas, in the special sense of quotas of disadvantaged students at universities, that is the admission of students who can't reach ordinary standards, in the benevolent hope that they will catch up, and in the process keep out a comparable number of students demonstrably able to cope. Very few well-meaning procedures are more indefensible and could be more destructive.

One weakness of Commentary, as of its opponents and of nearly all American political thinking, is its mixture of ignorance and complacency about military affairs. We live in a world of Realpolitik. This is determined by military strength—often in the here-and-now, not potential strength, to be realised in the hereafter. With a few exceptions, such as Morgenthau and Laqueur, the Commentary writers are innocent about such considerations—as though, when they get the doctrinal struggles satisfactorily settled, America can bask in secure solitude unique on the planet. This blandness may not frighten their fellow Americans, but by God it frightens me.



Norman Podhoretz: shaking it

Fiction

Country wives

BY ISOBEL MURRAY

Puffball by Fay Weldon. Hodder and Stoughton, £5.95, 255 pages

Wild Oats by Jacob Epstein. Secker and Warburg, £5.90, 267 pages

Fitzempress' Law by Diana Norman. Hodder and Stoughton, £5.95, 284 pages

The Gamecock by Michael Baldwin. Faber and Faber, £5.95, 160 pages

The very first chapter of Fay Weldon's new novel *Puffball* unobtrusively takes us into the centre of the action. Liffey, a pretty, over-romantic and privately wealthy child-wife has dreamed of a country cottage. Here she and her husband Richard inspect a cottage, make love in the back garden, and talk more openly than usual. She wants to live in the country, he wants to start a family: impulsively, they agree to do both. Immediately each privately regrets the decision, but neither says so.

Unknown to the young city pair, they are being overlooked by country neighbours. Mabs and Tucker watch interestedly through field glasses from their farm bedroom window, and discuss the visitors. Mabs is a faintly sinister character whom Tucker suspects of being a witch: "She seemed to have a hot line to the future, and he wished she did not." Soon, fired by the young couple's example, Mabs and Tucker make (much more thorough) love.

Almost all the central elements of the story are present here, although we do not yet learn that Mabs is desperate for another baby, and may be very dangerous to Liffey if Mabs doesn't become pregnant and Liffey does. The other central area of interest is covered in the short second chapter, "Inside Liffey (1)." This is where the novel becomes unmistakably Weldon. Liffey is presented as a mass of impulses, a pawn in nature's game, except that she is currently on the pill. Her secret feelings are described, and linked to hormones, glands and genes. Later, Fay Weldon will describe the growth of a foetus: now she prepares the scene, and impels us towards an expectation of social comedy:

"It is not pleasant for a young woman to believe that her behaviour is dictated by her chemistry and that her wrongs lie in herself, and not in others' bad behaviour."

A large part of the book, dealing with Richard and Liffey and their city friends, will continue in this vein, the characters being exposed with wicked insight and amusement. The ancient world of Cadbury Farm, where Mabs bullies her largely neglected family and Tucker too, represents a serious threat, and constantly menaces the mood of the whole. Fay Weldon has succeeded in her aim: "I think it has become a novel in which you want to know what happens."

Jacob Epstein's first novel *Wild Oats* is an intriguing and successful one. It deals with subject matter by now so corny that the reader can hardly believe in the novelist's effrontery, but in no time the reader is captive. Since *Catcher in the Rye*, young American writers have been producing the equivalent of "Catcher goes to College": since "Peanuts" became an international institution we've had endless adolescent Charlie Browns, bereft of Snoopies. Unbelievably, Jacob Epstein picks up all this corn and gives it glorious life in the tale of Billy Williams' first semester at college.

Billy is the classic mixed-up late teenager, and we visit enough of his past to know why. After an over-colourful marriage his parents are divorced: between marriages, his mother is drunk and despairing: in and out of marriage she insists on confiding in Billy much that he doesn't want to know. Her current husband Henry is a slob. Billy is born to lose. The only girls that want him are those he does not want. Zizi, the only girl he *does* want, eventually confides that she is pregnant by the English lecturer. All dreams, including ordinary night-time ones, get shattered by harsh reality.

Fay Weldon: interacting couples

One magnificent sequence of several chapters, for example, begins with Billy's insomnia. Insomnia lets him remember his father's embarrassing behaviour. Sleep eventually interposes, bringing an appallingly embarrassing and very funny dream. The dream is shattered by the arrival of Billy's appropriately named room-mate, Randy, with a girl. Billy is invited to move to the outer room. There he can hear the bedroom proceedings as unmistakeably as he has often heard his mother's: in desperation, he climbs into the closet for a (brief) sleep. Closet dust activates his every-ready asthma, and eventually he is picked up half frozen outside by a policeman and deposited in hospital.

The sequence is factual, inevitable, pathetic, funny. Almost 19, Billy is sure that Shakespeare, Freud and Marx had got over all their problems by his age. He crams so much inexperienced, inexpert living into one semester, and ends catastrophically. At the end he says: "God — I think I'm in even worse trouble than Matthew Arnold." Jacob Epstein is an unusually able young writer already more than promising.

Diana Norman's first novel, *Fitzempress' Law*, is an historical novel set in Henry II's England. It is concerned to remind us that Henry (Fitzempress) did more than cause Becket's death: he established the rudiments of English law and the jury system. The novel ranges widely over Henry's kingdom in England and in France. It shows us undernourished villagers working the land, persecuted Jews, nobles fighting, a hunting prior and an ambitious prioress — the canvas is wide, bright and meticulous.

The device used to trigger the novel is useful and successful: three lawless contemporary teenagers are cursed back into history by an old woman they terrorise, and each has to learn about law from hard experience in Fitzempress' world. A very readable and entertaining book.

The same can be said for another historical novel, Michael Baldwin's *The Gamecock*. Here the setting is Spain in the Peninsular War and the subject matter ranges from the future Iron Duke to the amusements of the private soldier — rape, extortion, buggery, whatever. The special flavour of the narrative is provided by a 15-year-old Spanish orphan, known as Pedro. Pedro develops a strong affection for the future Duke of Wellington, and is realistic and curious about everything else. There is no horror over hangings, atrocities and rapine: Pedro sees God as over-excitable for a Spaniard, and controls our responses to make a racy and memorable tale.

In short—Horses and men

The Last Word: An Eye-witness Account of the Thorpe Trial by Auberon Waugh. Michael Joseph, £6.50, 240 pages

Honestly, what is the point of this book? Nothing written about Jeremy Thorpe can be totally boring: nothing written by Auberon Waugh can be totally boring. So I suppose on those grounds alone the book will find readers. But what is the point?

Jeremy Thorpe is innocent of the charges laid against him. The book bears all the external evidence (I am not privy to the inner secrets of its construction) of a work that was violently wrenched out of shape by a trial verdict that Waugh, as he frankly and commendably admits, did not expect. With Thorpe's innocence established, neither is there any scope whatever left for Waugh's natural wit, pugnacity and irreverence.

There are some perspicacious comments about the proceedings of the trial itself, and about its dramatis personae. In that sense, Waugh succeeds to a degree in bringing the scene alive to people who were not there. But that apart, it is a hald, if intelligently edited transcript of the trial, with a certain amount of pre-trial background deriving from Waugh's work at Private Eye, and some inter-round commentaries.

The trial is now six months or more in the past. As far as I can tell, this book does not, perhaps cannot, add to the sum of existing knowledge, still less to the sum of speculation. No benefit is gained from raking over cold embers in this manner, just because it is Thorpe and just because it is Waugh.

Others have sensibly scrapped TV programmes and other projects about the Thorpe business. Unless and until there is something new and germane to say, and that can be said, surely it is better to give the matter, and its actors, a rest.

REX WINSBURY

Rolls-Royce, 75 years of Motoring Excellence, by Edward Eves. Orbis, £7.95, 208 pages

For many years Rolls-Royce has produced the most coveted cars on the road. They have been noted for refinement rather than for innovation and have won a reputation, as the sub-title of the book suggests with justified lack of modesty, for excellence.

This book, packed with colour photographs, including many of cars in private collections throughout the world, is worthy of the marque. A 56-page section gives technical details of the 28 models that have appeared during the company's 75-year history.

BRIAN AGER

The Horse edited by Michael Seth-Smith, New English Library, £12.50, 477 pages.

The sentimentality of the horse-loving British knows no bounds. Michael Seth-Smith says in his introduction that "humage is the raison d'être of the book." In 1866 the Derby winner Ormonde was proudly escorted through London at the expense of the city traffic to Grosvenor House, where he was Guest of Honour at a reception, and plied with orchids and sugar by the season's debutantes. However, this volume is not only confined to the escapades of the British horse. Its real interest lies in the historical aspect, but there seems to be some controversy as to where the horse evolved. The general opinion is that this evolution occurred in Asia and that the Spanish conquistadores imported their horses to South America.

It is a pity that there is so much repetition on the subject of the Spanish horse: much of this material could have been pruned. However, aficionados of dressage may be enlightened by Jane Kidd's two chapters on The History of Dressage and The Spanish Riding School. She describes how "the elegant Andalusian (true bred since 1476) and Lippizaner horses, with their high-stepping gait appealed to the extravagant pomp of 16th century European courts. The noblemen of this period instigated the sophisticated approach to riding where it was considered an art to be perfected, and it was Emperor Charles VI who built the Imperial Riding School in Vienna in 1745, the home of High School equitation.

KATE MORRISON

Mrs. Milburn's Diaries by Clara Milburn edited by Peter Donnelly. Harrap, £6.95, 304 pages

Mrs. Milburn's diaries do not give a blow-by-blow account of the major events of war but rather recollections of what the years 1939-45 meant to the author and her family. This journal illuminates the worst feelings of fear and terror and also the light-hearted moments which accompany bad times.

Hope and patience are two great virtues—Clara Milburn adhered to these as she suffered depression and separation: and during these weary black days, she did not waste her time. She taught herself to enjoy other people's company, to realise that there is an element of interest in everyone, that most people are kindly and sympathetic. She found she had the time to talk and to listen to her neighbours and friends who all experienced such similar feelings of apprehension and fear of separation, injury and loss of life within their families.

Mrs. Milburn organised evacuations and had people who were homeless and hungry to stay, giving and helping as much as she could. She did this, on the one hand, because she felt it a duty to do more than look on and pity, on the other, because this energetic warm-heartedness helped to divert her mind from wandering back to thinking of her son, Alan, and the enduring anxiety that he must have been subjected to as a prisoner of war in Germany.

The writer was always hoping for news of him and wrote to him constantly, sending him parcels, snapshots and money. Her thoughts were for ever with him and she prayed faithfully for his well-being and good spirits. She longed for his home-coming.

The diary finally ends on a note of optimism and cheerfulness as the enemy was forced to surrender and Clara Milburn's son was able to return home to her after a seemingly interminable war. Mrs. Milburn and her son both died after the war. Peter Donnelly does well to rescue this human document.

LUCINDA WETHERALL

A drawing by the 18th century artist J.E.V. Arago of himself threatening a Maori chief with tattooed face so that he could sketch him. It is one of many interesting plates in "The People From the Horizon: an illustrated history of the Europeans among the South Sea Islanders" by Philip Snow and Stefanie Waine (Phaidon £40.00).

Italian bloodbath

BY ISABEL QUIGLY

The Pazzi Conspiracy: the Plot against the Medici by Harold Acton. Thames and Hudson, £8.50, 128 pages

Italian proper and common nouns often overlap: a surname is often the same word as the name of an object or quality. Shakespeare would have had a punning field-day with the Florentine plotters of 1478, for *Pazzi* is the plural of *pazzo*, which means mad or madman, and outsiders more familiar with the Italian language than with Florentine history often take Brunelleschi's beautiful little building beside Santa Croce to be "the loonies' chapel," or some such. Understandably enough. Instead, its name commemorates the ancient Pazzi family best remembered today for its leadership of the plot to oust the Medici.

Italian politics until the unification of Italy are gruesomely complicated: not just the many states to remember, the permutations of their rivalries and alliances, but the internal fights between families and factions, their rise and fall across the generations at a time when and in a system where power depended on individual force, intelligence, talent or ruthlessness, and any hint of weakness created a vacuum quickly filled by the pressure of more forceful, intelligent, talented or ruthless rivals. The Medici family achieved power in 15th-century Florence (though officially it remained a republic) through a combination of riches with the other necessary qualities. The Pazzi, older and more aristocratic, looked down on the more mercantile Medici, with whom they were closely connected by marriage, incidentally, and fired by personal spite and political ambition hatched a plot, together with the nephew of Pope Sixtus IV and under what Sir Harold Acton calls the Pope's "tolerant nose," to overthrow them and set themselves up in their stead.

The background takes us into the politics of Milan, the Papacy, Venice and elsewhere and Sir Harold makes it all pretty clear. As a lifelong Florentine, he must from childhood have known the names as those of streets and houses; and many of the buildings in which it all happened still stand. Lorenzo and his brother were to be stabbed to death during mass in the Duomo. Giuliano, aged 24 and much loved by the Florentines, was killed; Lorenzo escaped.

The citizens rose against the conspirators in an orgy of vengeance. Corpses hung from innumerable windows. Horrible tortures, even cannibalism, occurred. Noses and ears were cut off, eyes gouged out, graves opened and bodies mutilated. This, in the centre of the highest civilisation in the west, the most definitive flowering of the Renaissance. Leonardo da Vinci and Pisanello made sketches of some of the hanged bodies. It was all a weird mixture of barbarism and exquisite intellectual refinement, Florence just 500 years ago.

This is a short account for the general reader, based on published sources; attractively produced and very well illustrated.

Thuggish rule

BY DAVID BELL

Fortune's Hostages—Kidnapping in the World Today by Caroline Moorehead. Hamish Hamilton, £8.95, 256 pages

The world has got used to the epidemic of kidnapping that started in South America 10 years ago and has since spread to Europe. The list of victims is now a long one, so long that some of the names that grabbed the early headlines (Muriel Mackay, Jasper Cross, Geoffrey Jackson) are already fading from memory.

And the moral of Ms Moorehead's fascinating study of victims—and the authorities who are almost always at least one step behind the kidnappers—is that for all the publicity, tightened security and private bodyguards there is still no way to stop a determined kidnapper.

Sooner or later most prospective victims relax—even in Italy where almost everyone now seems to be "sequestrabile," kidnappable. Once imprisoned in a tiny room in Uruguay, or a drab flat in suburban Frankfurt or a mountain hideout in Sardinia the important thing to do seems to be to try to set up some kind of relationship with the kidnappers.

A constant stream of conversation pays off. Indeed the Stockholm Syndrome is now recognised as a by-product of many "hostage situations." It takes its name from hostages seized in a bank in the Swedish capital who came to sympathise more with their captors than their rescuers.

Even so, keeping sane and calm is not easy. Jackson, the British diplomat, did it in Uruguay partly by walking five miles a day up and down his cell. One French executive spent hours re-creating experiences of 30 years before. Italian kidnappers turn out to be the most considerate crooks; German to be the most cruel and the least susceptible to personal appeals.

Ms Moorehead discusses the motives of the kidnappers, both political and criminal. She notes that kidnapping has a long pedigree — in Chicago, in the 1930s, more than 2,500 people were estimated by the police to have been abducted. The calculated cruelty of the murder of the Lindbergh baby is still chilling.

But not quite as chilling, perhaps, as the new political breed of kidnapper. Here the reader could do with more about the personalities of these men and women. Intriguingly Ms Moorehead notes that women kidnappers tend to be more cruel than men, possibly because they feel the need to prove their commitment.

Jackson regarded his captors as nice muddle-headed radicals who had yet to grow up politically. They let him go. But the Baader Meinhoff, and the Italian Red Brigades, are less appealing. Suzanne Albrecht, who helped kill her godfather (the chairman of a German bank) minutes after knocking on the door with a bunch of roses, needs more explaining. Pressed to account for her metamorphosis from party-goer to terrorist, friends of her family concluded that, perhaps, she was "sick of caviare."

Ms Moorehead might have spent more time on the way that the new brand of mostly middle-class, well-educated terrorist has learnt to "play the media" taking maximum advantage of the publicity value of his actions. In some countries it has been this publicity that has kept movements alive and drawn new recruits.

But that may be better left to another book. This one is a sobering reminder of how quickly we have got used to the threat of kidnap. Unlike hijacking, which has been more or less stamped out, kidnapping is thriving. Catching kidnappers is, as one Italian policeman put it wearily, like lifting a stone off an ant heap. The supply of ants seems almost inexhaustible.

Crimes and computers

BY WILLIAM WEAVER

In the Secret State by Robert McCrum. Hamish Hamilton, £5.95, 250 pages

An exciting debut. The young author creates, in Frank Strange, a believable, tired, but not resigned older man. Forced to retire from the complex "C Directorate," where computers are threatening to oust human activity with their all-powerful and commercially valuable databases, Strange sets off on an erratic quest, investigating a crime that, officially, is none of his business. In the course of the investigation (which soon becomes a chase, with Strange as the fox and the Directorate as the hounds), the ageing official encounters a grimy, but varied cast of characters: an adulterous wife, a bullying lover, a ruined TV personality, a Blimpish army officer. These figures, like their often sleazy surroundings, have a Graham Greene-ish horror about them.

Then there is Quitman, Strange's one-time protégé, whose hobby is mediaeval chivalry and whose girl is an insecure, flashy PR operator with an office in Covent Garden and a flat in Barons Court. To Strange's jaded, even cynical morality, Quitman opposes a winning, gullible innocence. The massacre of that innocence is the real burden of McCrum's novel. It is ably written (except for an unfortunate insistence on the one-word "alright"). At the end, there has to be an over-long explanation — a fault common in thrillers — but the author maintains the tension even through that.

Drink This by Eileen Dewhurst. Collins, £4.75, 224 pages

A good old English murder, complete with Vicar and Curate and village green ale village pub: (an establishment Egon Ronay would give a jereboam to find). Detective-Inspector Neil Carter, young, good-looking, intelligent, is sent to the village to ask discreet questions of the beautiful wife of an absconded robber. As he carries out his mission, he is also becomes involved in other crimes and, inevitably, other human relationships. The solution finally emerges — dramatically and more or less accidentally—and Neil is in time to avert more deaths, though his own private life has come in for a few jolts. A thoroughly enjoyable and credible book.

Blackbourne Hall by Hillary Waugh. Gollancz, £4.95, 250 pages

An historical novel, set around 1905, in New York City and State. Nice (relatively) poor girl becomes involved with nasty (very) rich family. Despite threats, bribes, and strange, scarey goings on, the intrepid heroine — a suffragette, after all — unmasks the villain, avenges the dead, and wins Mr Right. A nice romantic story, with some curious chronological lapses in the dialogue (no one would have said "thanks for the briefing" in 1906).

HOW TO SPEND IT

by Lucia van der Post

THIS IS THE KITCHEN THAT CHRISTINE BUILT

SINCE the New Year I bave been the smug possessor of a fitted kitchen equipped with every kind of convenience, designed to my height and needs. My friends are bored to death with baving to swallow their envy and admire every detail. My bank manager is still wincing at the cost. And I can hardly believe that it is now complete—more than 12 months of work went into it.

Of course banquets can he produced on a camping stove and a Dutch oven by the light of a candle—I've managed some pcetty *creditable* efforts myself under such conditions. But not day in and out. Nothing is so guacanteed to drive a housewife into an early grave than hattling with fatigue and injury in an inconvenient, ill-fitting kitchen.

When I moved into my new flat ovec two years ago I inherited just such a hattlefield. To *be sure* the view of the Thames from the window was a major consolation but there was nothing else about the kitchen to cecommend it.

No improvements had heen made to it since the 1920s, as far as I could judge. when the old closed range had been pulled out of the chimney and a gas cooker stuffed into the dark. cramped bole.

Hang the expense

Monstrous three-foot deep cuphoards lined the main wall np to the 12 foot ceiling.

There was no working surface at all apart from the kitcben table which occupied most of the floor space and made even breakfast a game of "round and round the mulbecry hush."

One day, while squinting into a saucepan in the gloom of the fireplace I cracked. The glossy magazines heckoned. I would have a brand new fitted kitchen aod hang the expense. I whipped out a tape measure and discovered that from wall to wall I had a room nearly 12 feet square. More than enough for a dream kitchen.

A conple of months later, aftec surveying the initial costing of six commercial systems, culled from the mountain of brochures and articles I had collected, I was reeling. The *prices ranged from £3,000 to* £7,000 and cost apart. none of them would have given me what I wanted. I tried to remind myself that banquets can he produced. . . .

But by then the hit was hetween my teeth. The bank manager had said I could have £4,000 and it would add to the value of the flat everyone agreed.

Then came the real snag. My kitchen. as the *sign* over the front door of the mansion hlock of flats proudly pointed out, had been built in 1903. Not only were the walls not straight any longer (a feature of age rather than design) hut I have my doubts about the architect. Only one wall was straight forward—it had the cupboards. The window wall was shaped *like two-thirds of a bay* windnw. The fire place. wall boasted three odd-shaped alcoves of different sizes and the massive chimney breast which couldn't be removed without threatening the stability of the structure. The last wall included the dooc.

I called in two professional kitchen designers after driving myself nearly mad with squared paper and slips of scaled down cardboard representing worktops, cookers, dishwashers and so on.

Each of them exuded confidence. Theic modular units were infinitely flexible they told me. My odd corners, alcoves and very "unmodular" wall lengths would present no problems. Perhaps I wouldn't be able to fit in all the items I wanted, *like* a double sink, separate rotisserie grill, sitting area, but it would be a *dream* kitchen.

However, when their plans materialised "nigbtmare" was closec to the accurate *description.* Both of them had simply squared off my odd but by now endearing angles, filled in the non-modular lengths with blank ends and added some attractive looking but unreachable corner shelves to fill in the gaps.

And the price! The fancy German-designed oak-fronted range as supplied by one of *the most prestigious kitchen* planning firms would have cost me £3,600 to deliver to site, not including basic fittings sucb as sinks and with a worktop which would then have to be tiled at separate cost. Carpentry plumbing and electrical work would also bave been extca.

The second quotation—in solid pine but from another well-known Swedish-sounding but British firm which boasted that its prices were well below any of the foreign competitors, was just over £3,000. *Again* fitting and appliances would *have been extra.*

But the real disappointment *was* that *neithec made* real use of the space in my kitchen. It began to sink in that modular units and 1903 buildings just didn't match. With a sinking beart I went back to my squared paper and my doodlings.

At that point I had a stroke of luck. A cousin of mine, a former town planner now turned cabinet maker worked for a small firm of furniture designers, Pearl Dot Furniture Workshops of 2, Roman Way, *London N7,* whose work bas been featured previously on this page. They occasionally made kitchen units for an outside designer, my cousin said, every piece custom-built to the space required.

More out of hope than belief that I could afford it I submitted my designs. which included gutting the kitchen completely, moving the dooc, cutting a bole in an outside wall for an extractor fan and turning the old fireplace into a larder (an excellent idea as it transpired hecause the ventilation up the chimney is so effective). I also wanted a window seat to curve round the odd bay window and special cupboards *in* the unequal recesses on either side of the chimney.

Above is the window seat curving under the odd bay window that Christine Moir wanted so badly and that none of the modulac systems allowed foc. Right, Christine in a corner of her kitchen shnwing the finely made wooden cuphnards, planoed to cope with all the strange measurements that were part of the 1903 kitchen's charm.

Final drawings

Finalising the working drawings was tedious and time consuming. *And* I was lucky that my cousin could recommend a two-man huilding firm to do the fitting. But the end result repaid the effort. So did the price.

Pearl Dot supplied the units —faced in solid pine and with the carcases made in melamine-faced chipboard (light and hygienic) built by anothec subcontractor—for just under £2,000. What is more. there was no VAT—*under the curious* regulations covering building works *the units* were "zero-rated." The two professional firms had simply added VAT at the standard rate hecause their trading method meant that their pieces qualified as furniture.

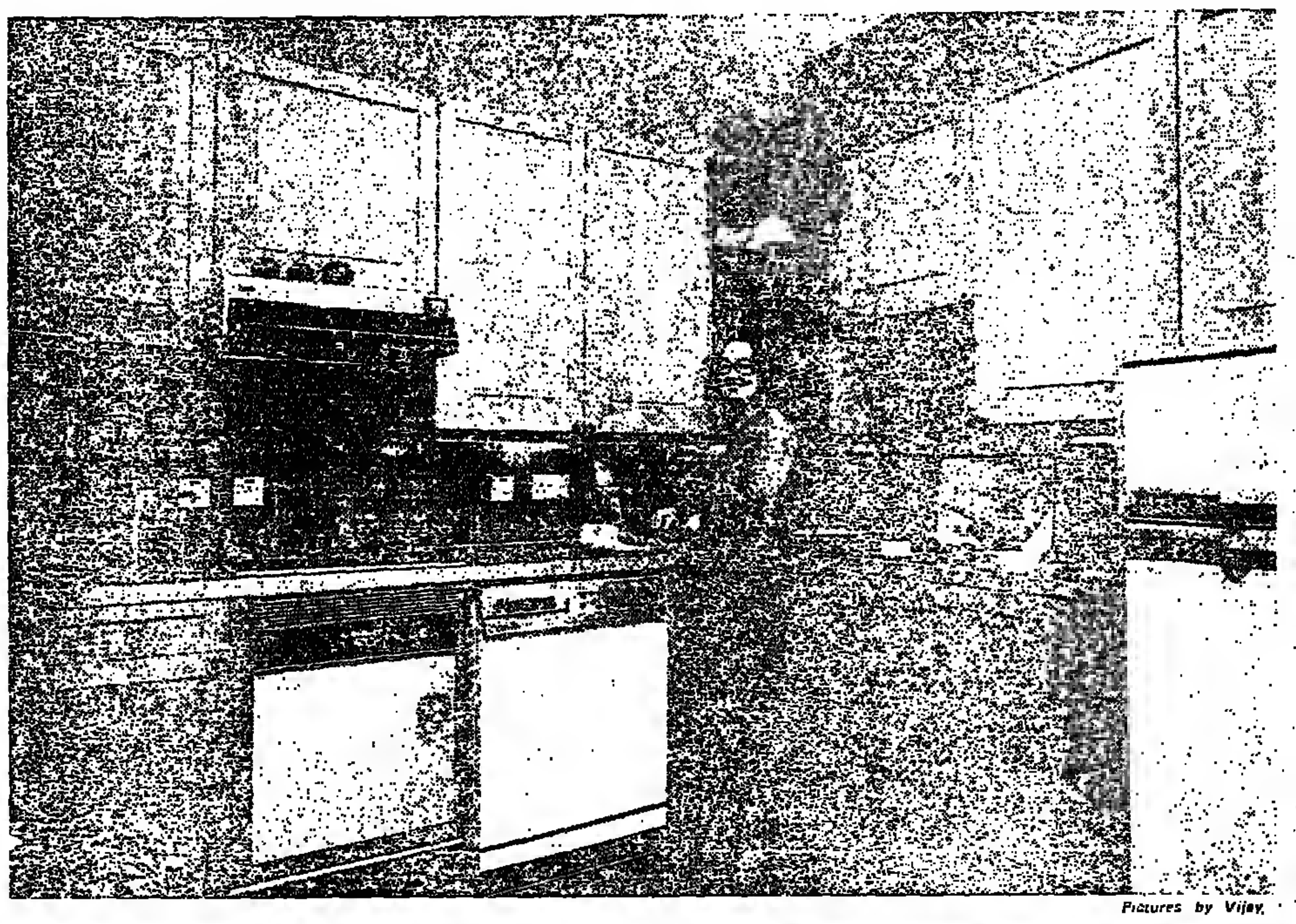
The quotation from the builders added another £1,450 including moving the door, carrying out the hulk of the demolition and installing a battery of lights and electrical poiots.

Almost moce importantly they took only three weeks over the job and ran over their budget by only £100 despite the obstacles of ancient plaster which fell off in chunks and the obduracy of those mad angles. The units fitted also—precisely. The only hitch was when some of the drawer fronts had to be sent back to be trimmed down and that held things up *by* no more than a couple of days.

Of course that wasn't the end of the expense. I needed all new appliances—a dishwasher, double sinks (and mixer taps don't come cheap). fridge-freezer split level hob and "under-slung oven." cooker hood and that rotisserie grill. There were curtains and *cushions to fit the specially*-shaped window seat, vinyl flooring and the decoration. All those I managed myself. There were also the tiles for the work surface and splashbacks—I chose glazed ceramic floor tiles, not cheap hut already proving their superiority over plastic laminate for cutting on or putting dishes onto straight *from* the oven.

All in all my accounts hooks tell me I spent £4,700. My bank manager is still wincing. But the kitchen is even more efficient than I believed possible. There is room to entertain *four* people without baving them underfoot as I *work.* And *the character* of the room has been preserved. Even had I been prepared to pay 50 per cent more, the much-vaunted modular kitchen ranges from the commercial outlets which fill the glossy magazines would only bave been a poor approximation.

Christine Moir



Pictures by Vijay

EXHIBITIONISM

EXHIBITIONS are wonderful places to revitalise the visual senses, to gain a new perspective and to enable one, perhaps, *to look* at one's own home in a more creative, adventurous way. There are currently two exhibitions which are quite different in everything except their quality aod their charm.

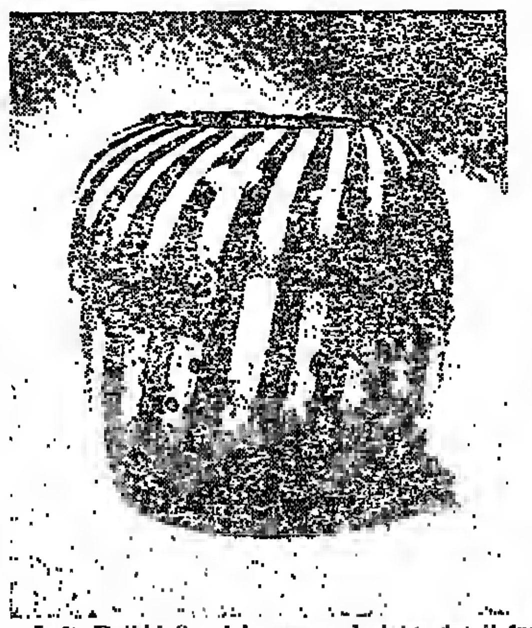
Firstly, the Sunderland Arts Centre has sponsored a tour of Finnish glass, produced by artists and craftsmen who believe in glass as a medium *through* which they can express their ideas. Interestingly, this highly individual glass bas been produced in a factory and not in a small workshop where the artist is also the craftsman. An exceptionally close working relationship between designer/artist and craftsman *is essential* for this collaboration to work but this *is part of the tradition* of Finnish glass.

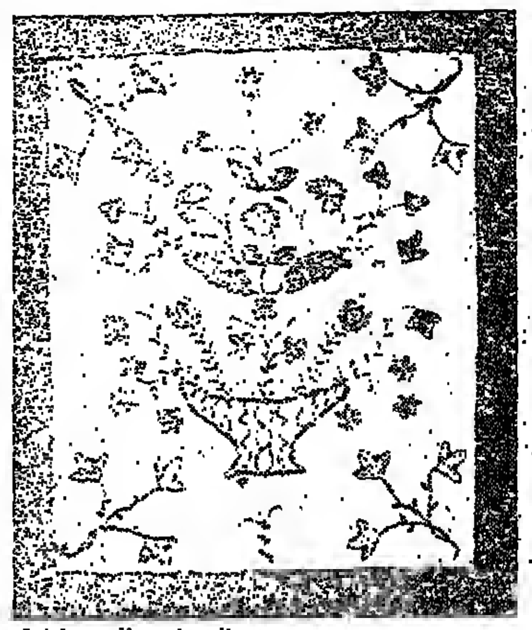
The exhibition *is* currently at the City Museum and Art Gallery in Stoke-on-Trent. on March 17 it goes to Nottingham. then to the Bolton Museum and *Art* Gallery and on to other museums all over *the country. Do see it if* you can — Heikki Orvolo's vase, right, gives a small clue to the quality of the exhibits.

Very gentle, almost pastoral in tone, is the small but charming collection of Irish Patchworks on show at Somerset House, Strand. London WC2, until March 15. Found in the attics and homes of the people of Ireland is this varied and fascinating collection of the homely art of patchwork.

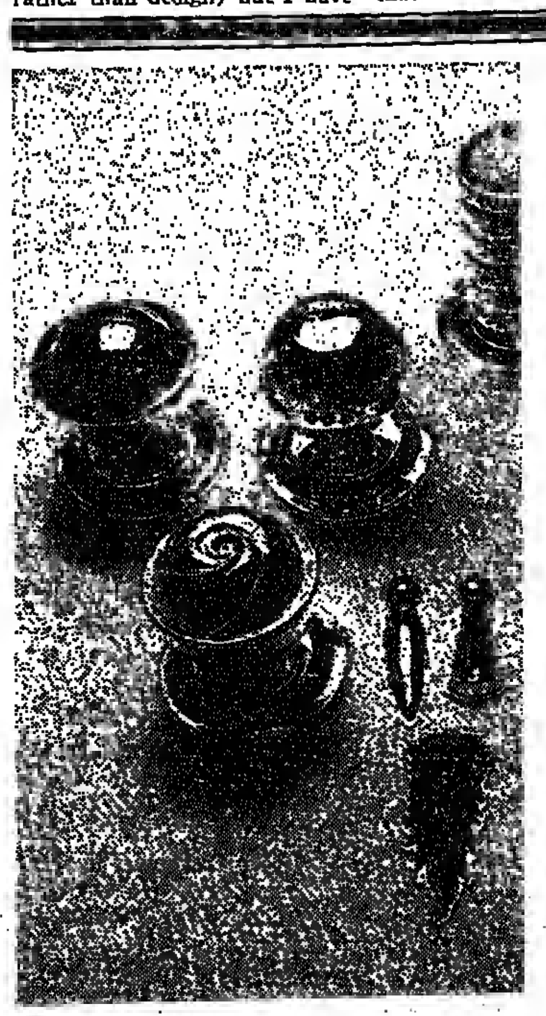
If you're making a quilt yourself do go aloog — you'll he encouraged to see what one 14-year-old made from penny bags of red and white cotton off-cuts, sewn together by candlelight in the family farmhouse.

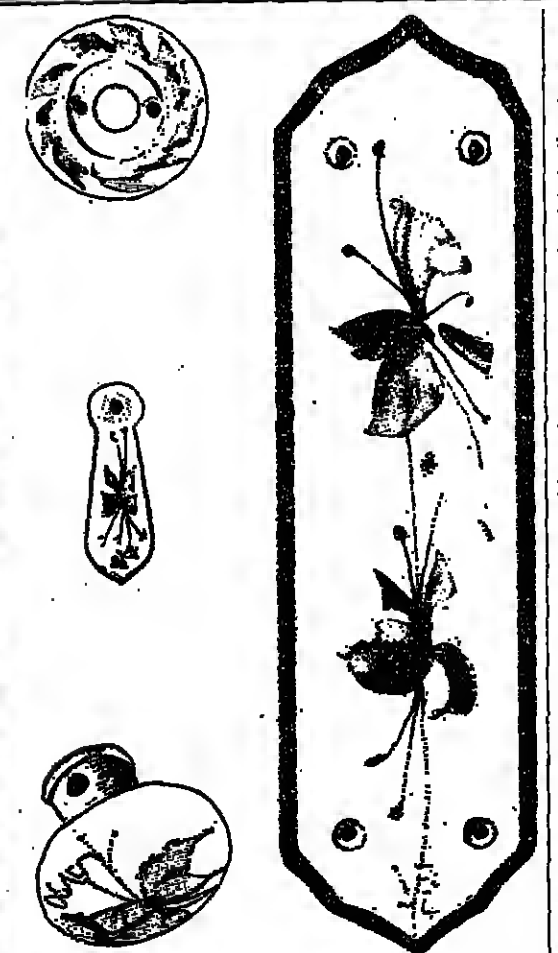
The entrance fee is £1 and *the informative* catalogue illustrating each quilt in colour is well worth its £3.





Left. Heikki Orvolo's vase and right, detail from Irish appilqued quilt





Robin Coles

HANDLED WITH CARE

ANYBODY looking for door furniture to smarten up thia not really vital part of the house is spoilt for choice. From Beardmore's at the top-end of the market with their fine brass reproductions to the simple blue and white French-style numbers from Habitat, the selection is huge.

However, nobody has made a bigger contribntion to enlarging most people's choice than Knobs & Knockers which has not only persuaded many small companies to produce a larger selection of door furniture *but* baa also recently started a mail order *service* for those not within reach of any of its outlets.

The latest offering is distinctly up-market, for people whose houses need that special finishing touch or who *fancy* playing the silver investment market while at the same time putting the silver to practical use—yes, you've guessed it, there are now solid silver hall-marked door accessories.

The Burlington Collection, as the group *photographed above* left is called, haa been designed and made by the silversmith Belinda Whyte. Prices, Knobs & *Knockers* warns, are variable, depending on the bullion *markets*, bnt at the moment the knobs range from £295 to £395, *the* escutcheons are £75, while the fingerplates are £265 for the plain version and £290 for the fluted. Don't forget to insure them or to take them off when you move house!

Orders should he placed with any of the Knobs & Knockers *outlets* or in *writing* to Knobs & Knockers, 36-40 York Way, London, N1.

Now to something a little cheaper. A colleague discovered that Isabel J. Oscroft, of Jens *Pots, Gallery No. 1, 56 Lymington* Road, London NW6 hand-*paints porcelain door* furniture and sells a complete set (porcelain knob, *rose*, escutcheon and finger plate) for only £8 plus VAT to personal shoppers. The design she uses is shown above right. If you like porcelain you might like to know that she also makes porcelain toilet roll holders, ring holders, towel rails and books. She will do a special design on ceramic tiles to go round sinks, foc example, or in shower nnits, for about £50 a square yard. Contact her at the Gallery.

Postscript

HAVING A daughter who has just gone up to Cambridge I have become rathec preoccupied with the bicycle prohlem. So far she's been lucky and she hasn't had her bicycle stolen yet but the loss rate is high aod over the country as a whole 100,000 cycles were stolen last year.

Bearing this in mind, it might be a good idea to think of insucing them. The Association of British Cyclists has just launched Cycleguard — a club membership scheme that entitles cycle owners to comprehensive insurance cover.

For £9.50 a year the Cycleguard members will he insured for loss or damage to their cycle by accident, fire, loss oc theft up to a replacement value of £200, to third party liability up to £250,000 and to variahle personal cover up to £250.

Anybody wanting to join could find a membership form at a local cycle dealer or could write direct to Cycleguard, *Freepost, London N21 2BR.*

●

IF you're thinking of buying any upholstery Londoners (or even those who live outside but might think it worth making a special journey) might like to know that Tulleys of Chelsea are currently having a winter sale at their Fulham Road showroom.

Tulleys have long been an institution in Chelsea where generations of newly-marrieds have gone to get their upholstery. They usually bave a good range of simple calico-covered sofas and chairs of all shapes and sizes and customers can either buy them in this covering or order the final covering from the large range of fabrics that Tulleys offers.

The size of the price reduction varies but to give a few examples—a classic two-seater sofa covered in calico is reduced from £265 to £240, the making charge for a loose cover for the same sofa is down from £55 to £50, the making charge for a tight cover is down from £54 to £49. These reductions are not huge but every little counts.

If you like one of the existing sofas or chairs covered in a fabric from a discontinued range then there are much larger reductions to be had, in some cases up to 50 pec cent off.

Tulleys are at 289-297 Fulham Road, London SW10.

CHESS

LEONARD BARDEN

SINCE Bobby Fischer dropped out *of international* chess after beating Spassky, young American players bave lived in his shadow and have suffered from comparison with the ex-champion. Some, such as the talented grandmaster Ken Rogoff, became so *disillusioned* by the post-Fischer hangover that they virtually dropped out of major tournament play.

Signs that a new U.S. generation was emerging which might contend successfully with the Russians have appeared in the last year or two in New York and California. Michael Rohde, 20, won an international in New York *with a grandmaster result*, Joel Benjamin, now 15, won the Manhattan championship at a younger age than Fischer, and most of all American chess can look to the impressive results of 19-year-old Yasser Seirawan, of Seattle, the reigning *junior* world champion.

It was evident in the later rounds at Hastings that Seirawan was husbanding his strength for the Hoogoven tournament at Wijk aan Zee in Holland which began immediately after Hastings ended. How well he did *so is shown by his remarkable* victory there: he took the *lead from the start*, beat Korchnoi in the second round, achieved the grandmaster score with three rounds to spare, and, easing up with draws at the finish, tied fur first prize with the former U.S. champion Browne.

Scores were Seirawan and Browne (both U.S.) 10 out of 13, Korchnoi (Switzerland) 8½, Biyiasas and Alburt (both U.S.) and Timman (Netherlands) 7½, Ree (Netherlands) and Byrne (U.S.) 6½, Sunye (Brazil) 6; and five others. Due to the clash with the European team finals, several countries were not represented *at Wijk*, but this was still a powerful tournament ranked category 11 (one above Hastings).

The U.S. Chess Federation will probably nominate Seirawan for grandmaster. He has played only 22 of the stipulated 24 games at this level but the *extra margin* over *the norm* at Wijk will count in his favour.

Seirawan's win over Korchnoi showed his strengths: forceful opening play, attacking flair, and precision in calculation. The great Viktor never gets into the game.

White: Y. Seirawan (U.S.). Black: V. Korchnoi (Switzerland). Opening: English (Wijk aan Zee 1980).

1 P-QB4, N-KB3; 2 N-QB3, P-K3; 3 P-K4, P-Q4; 4 P-K5, P-Q5; 5 PxN, PxN; 6 NPxP, QxBP; 7 P-Q4, P-B4. By the highest standards, opening theory is one of Korchnoi's *weak points.* John Watson's book English 1 . . . N-KB3 Systems diagnoses P-QN3 as better.

8 N-KB3, P-KR3; 9 B-Q3!

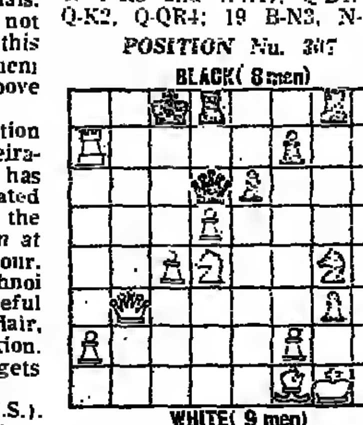
Intending the sacrifice 9 . . . N-B3; 10 0-0 with active piece play for the pawn.

9...PxP; 10 PxP, B-N5 ch; 11 K-B1! N-B3; 12 B-N2, *B-B4* (varying from the book 0-0 but not deflecting White from his planned K-side attack); 13 B-B2, 0-0; 14 Q-Q3, R-Q1; 15 R-Q1, K-B1; 16 Q-K4, B-Q3; 17 P-KR4! (with ideas of P-KN4-5, N-N5, or P-R5 and R-R4), Q-B4; 18 Q-K2, Q-QR4; 19 B-N3, N-K2; 20 P-R5, P-QN3; 21 Q-K4, B-R3; 22 P-Q5! (the double pawn sacrifice opens up all the lines against the black king). PxP; 23 Q-B7, P-B3; 24 K-N1, BxP; 25 R-R4! BxB; 26 PxB, K-B2; 27 R-KN4, R-KN1; 28 R-K1!

Threatening 29 BxP, KxB; 30 R-N6 ch, or if 28...QR-Q1; 29 R-R1xRP. 28...P-Q5; 29 RxQP, B-K4; 30 R-Q7, QxR ch (hoping *to fight* on with rook, bishop and pawn against queen, but the attack proves too strong); 31 NxQ, BxB; 32 N-Q3, B-R6; 33 N-B4, KR-Q1; 34 Q-N6 ch; K-N1; 35 Q-Q3, RxR; 36 QxR, R-QB1; 37 K-R2, K-B2; 38 N-N6, R-QR1; 39 NxN, Resigns (BxN; 40 Q-Q5 ch).

POSITION No. 307

BLACK (8 men)

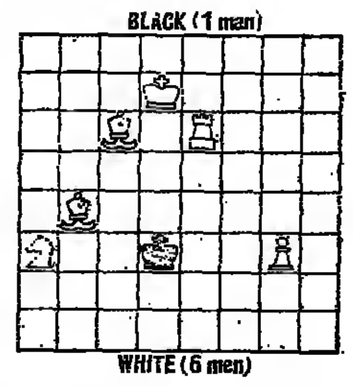


WHITE (9 men)

Spassky v. Larsen, Buenos Aires 1979. Spassky sacrificed to reach this position and now threatens Q-N7 mate or R-R8 ch. Has Larsen (Black, to move) sufficient counter on the other flank, and how would you advise Black to continue?

PROBLEM No. 307

BLACK (1 man)



WHITE (6 men)

White mates in three moves against any defence (by G. Glass).

Solutions Page 12

BRIDGE

E. P. C. COTTER

HERE ARE two *hands* from rubber bridge which were misplayed. The *first example* illustrates a mistake which I have seen made on numerous occasions:

```
            N
         ♠ K 4
         ♥ A 10 8 5
         ♦ K 8 6 4
         ♣ A 10 7
W                   E
♠ 3 2               ♠ Q J 10 9 8 7 6
♥ Q J 6 4 2         ♥ 7
♦ A 5 3             ♦ 9 2
♣ 8 6 5             ♣ K 4 3
            S
         ♠ A 5
         ♥ K 9 3
         ♦ Q J 10 7
         ♣ Q J 9 2
```

North dealt at *game* to North-South and bid one heart; East overcalled with three spades. Pre-emption after one opponent has made a positive bid loses much of its effectiveness, but it did cause South a problem. He had to take some kind of action, and aftec some thought he said three no trumps, which became the final contract.

West led the spade three, taken in *hand by the Ace.* Clearly hoth minoc suits had to be developed, and declarer decided to start with diamonds, to get out "the inescapable loser." West took his Ace at once and returned his other spade to cleac his partner's suit. South cashed the rest of his diamonds and the Ace and King of hearts. He then finessed the club Queen and went down.

The declarer did not think thiogs out. East, marked hy his bid and by West's lead with at least seven spades, might have the diamond Ace or the club King, but not both. Therefore, the correct play is to take the club finesse into *the* East hand hefoce touching diamonds. East *may* win and clear the spades, but when West obtains the lead with the diamond Ace, he will not be able to prevent South from making ten tricks.

Incidentally, South can recover *from his mistake. When* West has won with his Ace of diamonds and leads a second spade, South should lead the heart five and finesse the nine in hand. West wins and returns a cluh, hut South refuses *the finesse, takes dummy's Ace,* runs the rest of the diamonds. and cashes *the heart King.* Then the marked finesse against West's Queen gives him nine tricks.

This hand was dealt by South with both sides vulnerable:

```
            N
         ♠ A J 10 7
         ♥ A Q 5 4
         ♦ J 3 2
         ♣ J 7
W                   E
♠ 6 5 4             ♠ K Q 9 3
♥ 10 9 2            ♥ K J 7
♦ 10 9 5            ♦ 8 6 4
♣ 10 9 5 3          ♣ Q 8 4
            S
         ♠ 8 2
         ♥ 8 6 3
         ♦ A K Q 7
         ♣ A K 6 2
```

South bid one diamond. North said one heart, and over South's rebid of two clubs said two spades, a responder's reverse *which is forcing. Not ashamed* of his hand, South bid three no trumps.

West led the six of spades, and dummy's ten lost to the Queen. East returned the diamond six, South cashed Knave *and Queen,* and finessed the spade Knave, losing to the King. East led *another diamond,* South cashed Ace and King throwing a heart from the table, and finessed the heart Queen. East won and sent back the Knave, and now declarer was faced with defeat—not an impressive performance.

I saw a neat way of making the contract. South wins the second trick with the Queen of diamonds, and leads the two of clubs. If West has the Queen, there is no further problem. As it is, East wins with the *Queen*, and leads another diamond. South cashes three tricks in the suit, and plays off Ace and King of clubs. Now he runs the eight of spades, and East is endplayed. He must return a heart or a spade, in either case giving South his ninth trick.

ARTS

One-woman shows

I don't think it is just loyalty to a member of the smallest trade union in the world, that of radio critics, that prompts me to enthuse about Sunday's portrait of *Joyce Grenfell* on Radio 4 UK. This was a good programme by any standards, produced fairly promptly on the death of its subject last December. It showed among other things how many aspects there were to the lady who was the darling of middle-class audiences in those palmy theatrical days, as they now seem, before the irruption of the angries and the bastard angels.

Long before she ever set foot upon a stage, Joyce Grenfell did a stint as radio critic of The Observer, and her success towards the end of her life as an author showed she never lost her flair for writing. Essentially her approach to life was not as a writer but a performer. The women she used so devastatingly as material were also performers of a kind, teachers, choir-leaders, lecturers, enthusiasts. She observed them, not always perhaps without condescension, from a background that was quite different from theirs. Her genes on both sides were largely American; her place of birth Montpelier Square, and her upbringing that of an English debutante.

RADIO
ANTHONY CURTIS

Nancy Astor and Cliveden loomed always in the background. Miss Grenfell's first monologue arrived when as President of the WVS she listened to a guest-speaker talking about making useful gifts. She found a professional model for her work in Ruth Draper who was a family friend.

It was revealing to hear in the programme, narrated by Joseph Cooper, Joyce Grenfell's nursery school sketch (which in later years gave some offence to teachers in that neglected area of education) preceded by an extract from a similar scenario by the great American diseuse and to find how closely she followed the model. "She was faintly governessy," said Joyce Grenfell of Ruth Draper. "She could make you see invisible people." Two further influences gave her act its succinct tone: radio-work with Stephen Potter and stage-work in intimate revue with Laurier Lister. Mr. Lister spoke about the revue side of her talent in the programme and so did William Blezard who became Joyce Grenfell's accompanist when, like Miss Draper, she enthralled audiences as a solo performer in both England and Australia. It seemed wrong somehow not to have anything from Stephen Potter nor to be given a clip or two from one of their hilarious *How to* programmes. Perhaps they were all "scrubbed" in the days when the sound archive was not preserved as it is now.

Just when the listener might have begun to think Joyce Grenfell was the product of a rather self-satisfied élite, we had some striking correctives to that image from Clive James and Richard Hoggart, friends who spoke warmly but shrewdly of what they discerned to be her private self. Alistair Wilson put the portrait together and directed.

All but the greatest playwrights seem to come a cropper when they attempt to write monologues. The exceptions are Cocteau who wrote some for an actress plus the telephone which have become classics; Rattigan who tried it once for Margaret Leighton, and Beckett who has brought it off several times in his fragmented way. The hazards were never more apparent than in a piece which the late Tom Mallin, a great one for experimenting with form, wrote for Sylvia Coleridge, *Mrs. Argent*, originally performed on the stage, and recently recreated for radio (Radio 3, February 3).

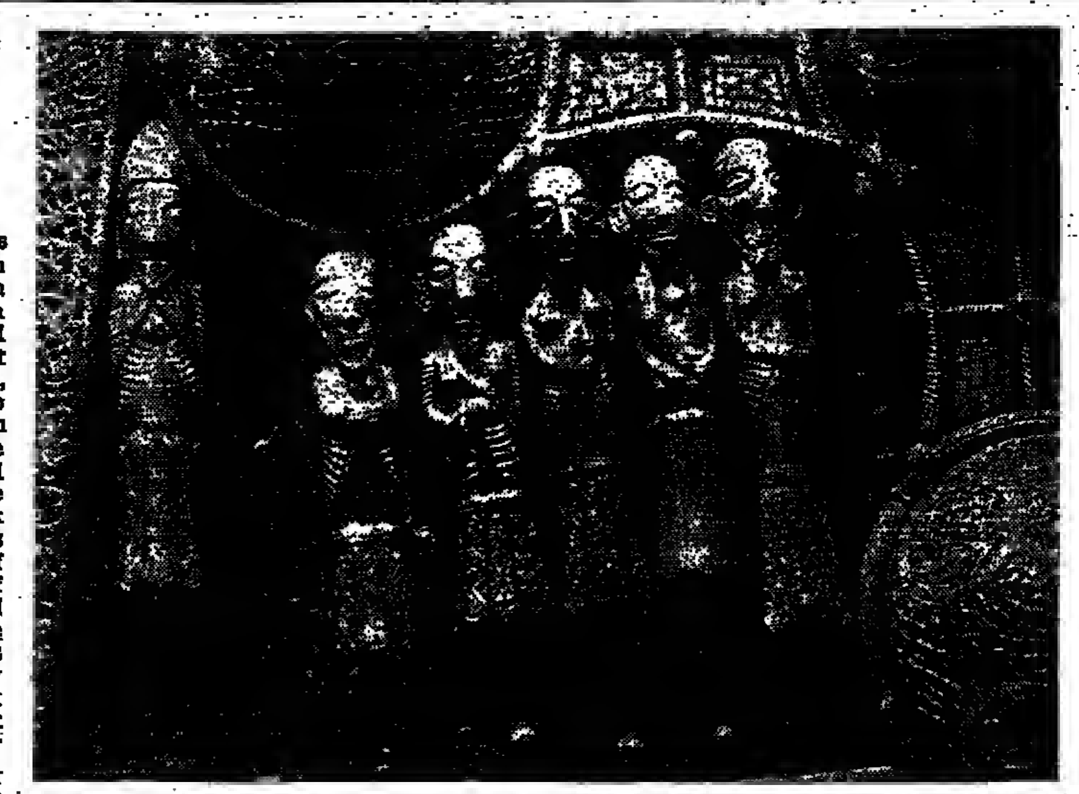
One or two extraneous voices and audience noises set the scene of a seedy provincial theatre where the lady in the title is appearing in a melodrama about a woman who loses her reputation. Echoes of the play in her mind during a lonely session in her dressing room prompt her to indulge in free association, helped by drink or two.

She recalls especially her own wedding-night in Mexico City (of all places) when she entered into an unfortunate alliance with a scion of the Mexican aristocracy. The demands Mallin makes are considerable: the actress has to switch continually from the mood of an innocent young bride to that of a raddled old trouper, and yet preserve the sense of a single human being. It stretched Sylvia Coleridge's resources to the full but she managed to achieve considerable pathos as the horror of her condition gradually dawned upon the listener.

Joyce Grenfell and Richard Hoggart met when they were both on the Pilkington Committee. Along with all the other committees set up to inquire into broadcasting in Britain, Pilkington is discussed in Asa Briggs's *Governing the BBC* (BBC £10.00). This is the first systematic account of the BBC Governors: who they were and are, and what their influence has been. A mass of interesting information is concisely packed into this volume by the BBC's official historian.

Vikings secrets

The biggest ever exhibition on the Vikings opened this week. Antony Thorncroft reports.



Detail from the gabled shrine of St. Manchan, which is decorated in twelfth-century Irish Urnes style.

Exhibitions are one of the incidental benefits of living in the convenience age. If you can spare an hour, and £2.95 on a very attractive background guide, some of the finest manifestations of the Vikings, those mysterious tribes who descended from the north on an ill-prepared world in the late 8th century and maintained their pressure for three centuries, are yours to pick over. In recent years the arts of China, the sudden death of Pompeii, the secrets of Tutenkhamun's tomb, the gold of the Inca's, and much more romanticised world history has been brought together to satisfy the popular appetite for instant knowledge. Now the Vikings get their fleeting turn in the hour glass of fashion.

Unfortunately the current exhibition at the British Museum, on show until July 20, is likely to be judged in comparison with its precursors than by any independent standard. This is unfair. The Vikings were not flamboyant people. They learned more, and took more, from the races they harrassed than they gave. They had a practical, down to earth, live and let die attitude, with no plan to force their own gods, ideals, political structure, or language on the territories they raided and later inhabited. Their eruption into European history did not come from land hunger or because they were forced out of their native homes: the desire for loot, made possible by the technological achievement of the longboat, was the thrusting force.

In the end they retired back to Scandinavia, having adopted Christianity, quite content to be absorbed into Europe and indeed becoming, eventually, the most rational and pacific peoples of the continent. It is a strange story and the attraction of The Vikings exhibition is that, while it is unable to offer any explanation for the phenomenon, it presents a wealth of material, like pieces in a jigsaw, and lets the visitor put together his own picture.

So, passing through an unexceptionable entrance, we come across a jumble of galleries which in a limited, and easily absorbable, space presents the generally small-scale artifacts unearthed in the far-flung countries that suffered Viking raids and colonisation. Unfortunately there is nothing from the highspot of Viking intrepidation—the temporary settlement in Newfoundland, and little from the more permanent communities in Greenland, but there is much from Russia (the very word derives from the Finns' description of the Swedes) and the incursions deep into the deserts of Islam are commemorated in hoards of coins, flasks, and an intricate casket. The only attempt at the monumental is a reconstruction of a house in Hedeby, a south Danish town and a major trading centre, which, with its collection of rooms and domestic tools, looks quite cosy. But, for the most part, the exhibits are firmly hidden behind glass and, an unfortunate drawback, in many cases only two or three visitors will be able to absorb them at any one time. If you really want to learn from this exhibition, and it is made much for the seeker after knowledge than for the easily impressed, you must choose a slack time or be very patient.

The opening room goes to the heart of the matter, concentrating on the ship, the springboard for the expansion. Unfortunately no actual ship could be transported to London, but a keel is here, and an anchor, and more affecting, primitive scratching on stone of what a long boat, with its crew of up to 34, looked like. Then we move on quickly to what the Vikings were after — the loot, mainly silver, in coins or jewellery. The wearing and giving of silver ornaments showed status in Viking society and the artifacts on display, gathered from across Europe, or later fashioned by the Vikings themselves in the four distinctive styles that developed during their pre-eminence, are vigorous and intricate, revealing a high appreciation of art and craftsmanship.

It is the humanising of the Vikings which is the great strength of the exhibition. In the past they have had an image; now they are shown with some depth. What they looked like; what they ate; their beliefs and rituals; their deaths, are built up from tangible evidence, and some clear and concise notes accompany the display cases. The most eye-catching exhibits are a head carved from an elk's antler; a warrior's helmet, one of only two ever discovered and quite lacking horns which, if they ever existed, formed part of a priest's ritual wear; the swords with their finely carved hilts; the necklaces made from stolen coins (the Vikings developed their own coinage at a very late period); and, perhaps most pathetic of all, the smashed skull of a young girl, probably a ritual sacrifice. There is little to make the heart pound faster, but much to ponder. After all, with almost 550 exhibits, this is the largest gathering together ever of Viking remains and it is unlikely to be equalled.

There are gaps. Little about slaves, as important as loot in motivating the raids; not much attempt to differentiate between the Danes, the Swedes, and the Norwegian Vikings; no follow through on the Vikings' direct descendents achievements in Normandy and Sicily. For a British audience more attention might have been paid to the Vikings' impact on British history (after all if the Norwegian Harald had beaten the English Harold at Stamford Bridge in the first decisive battle of 1066 we might today be a Scandinavian outpost).

The Vikings made a telling initial impact on European history but lacked the perseverance to follow it through; this exhibition, sponsored by the Times Newspapers and Scandinavian Airlines, is low key in its approach but by blending good notes with what physical remains survive it manages to throw a little more light on a people which caused so much panic in their day but are now so lost in time that we do not really know the origin of their name.

CHESS SOLUTIONS

Solution to Position No. 307

1...PxP ch; 2 K-N2, Q-R7 ch; 3 K-B3, Q-R8 ch; 4 K-N3 (if 4 K-K2, Q-K5 ch wins knight and rook or if 4 K-B4, P-K4 ch; 5 K-B5, Q-R2 mate), N-B3 dis ch; 5 KxP, Q-R5 ch; 6 K-K2, Q-K5 ch; 7 Q-K3 (else QxN ch and QxR), QxQ ch; 8 KxQ, R-N6 ch and Larsen won the ending on material.

Solution to Problem No. 307

1 R-K1, K-Q5; 2 B-K4, K-K4; 3 B-QB3 mate.

The British Empire, Part One

The Birmingham Rep's studio theatre has taken on a resemblance to the Palm House at Kew. Two white spiral staircases ascend to a leafy gantry. There are coloured lights and little Union Jacks everywhere. The actors mingle with the crowd, who wander round selecting their own angle and focus on John Spurling's epic play. It strikes me as his best writing for the theatre since *McGrune's Guevera* (1969), but it is far short of perfect.

A map in one corner indicates the extent of the Empire in 1860 and Mr. Spurling's task is to show, through a selection of random incidents in various locations, the unacceptable, often buffoonish, face of imperialism. Another corner carries information of times and places. So, in Tasmania in 1828, we hear about the British plan to cordon off 100,000 square miles of bush with soldiers stationed every 60 yards holding the rope. The subsequent fiasco is referred to by Palmerston in Downing Street in 1831, as he also ties up the tale of a consular family whose daughter has married one of the chaps who crossed the Sahara in 1825 en route for Timbuctoo.

These incidents in themselves are often entertaining enough, but they need more pulling together, more dramatic heat and more shaping towards the broader argument Mr. Spurling is presumably after. Part of the blame must lie with the director, Peter Farago, but you do realise as the evening wears on that scenes could be dropped or transposed at no great overall cost.

I am not sure, on reflection, that the latter cavil is totally fair. The same complaint could be levelled at many of Brecht's plays. But it is at least true that some of Mr. Spurling's scenes are very much better than others. Particularly effective is the death of a soldier (David Howey) at the walls of Jelalabad in 1842; Jane Booker's suicidal poetess sending home a letter of boredom and tears from the Cape Coast in 1838 before donating her skull to the Ashantis; Roger Hume's whoozy Elphinstone failing to quell the "unreliable" Afghans, possibly as a result of having over-extended himself at Waterloo; and an English officer (Tony McHale) in 1830 India wheedling assurances out of a reluctant Brahmin collaborator.

These are scenes of some subtlety. The best of the big stuff is a vivid sketch of the Cawnpore massacre of 1857, presided over by an exotic sultan and resulting in some very unpleasant reprisals. The muscle of Mr. Spurling's dramatic prose at this point is impressive, rather like that of Charles Wood at his best. Other episodes, such as the search for the source of the Nile and the totally incomprehensible tea-and-sympathy interlude conducted by a Mr. Clark in Tasmania in 1848 in the middle of a circle of aborigines wearing blankets and seated on bentwood chairs, are fatally inconclusive.

The Kew setting, a lovely idea and beautifully designed by Poppy Mitchell, is reinforced by the presence of the botanist Joseph Hooker (Mr. Hume again) who tops and tails the action with news of what he got out of it all: rhododendrons. Sir Richard Burton joins him in argument every now and then, but the confrontation does not reverberate along the evening. As this is Part One, presumably Mr. Spurling is contemplating Part Two. I would recommend that he slims before he sprawls.

MICHAEL COVENEY

Record for a Cassatt

A Capriccio harbour scene with shipping painted by Jan Beerstraten sold for £9,500 at Christie's yesterday. It was the top price in an Old Masters auction which totalled £209,370. Beherman of Paris gave £8,000 for a boy holding a parrot by Andriaen van der Werff while Douwes of Amsterdam paid £5,500 for a farmyard scene by Jan Kobell. A pair of pictures, catalogued Ceruti, was acquired by Van Haeften for £5,000.

Meanwhile in Tokyo the series of sales organised by Christie's and Robson Lowe opened with a Robson Lowe stamp auction which totalled £105,567. A rare 96c olive-bistre Hong Kong stamp of 1863-70 issue sold for £5,869 and a 5c on 8c orange of the same period for £3,478.

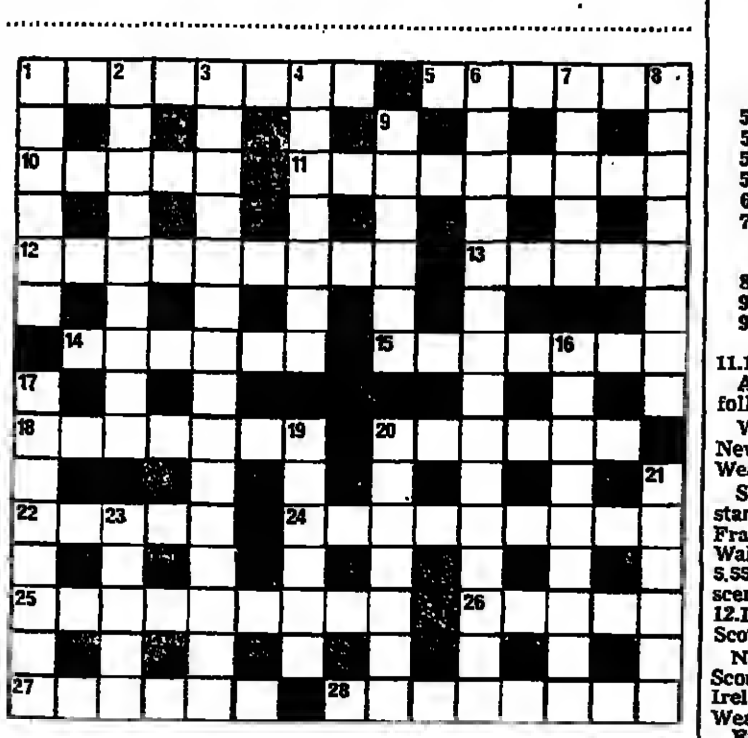
In New York on Thursday Sotheby Parke Bernet sold "Woman Bathing, or La Toilette" for £31,304 to the Fine Art Museum of San Francisco. This was an auction record for a print by Mary Cassatt and also a record for any print by an American artist. The auction of 77 lots totalled £382,630.

F.T. CROSSWORD PUZZLE No. 4,202

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



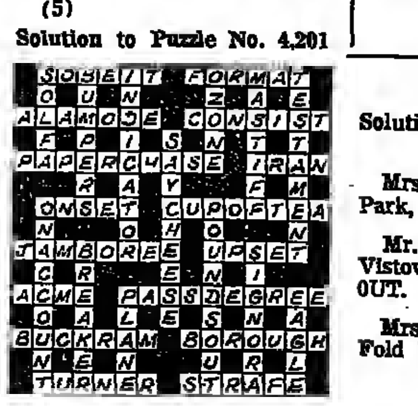
ACROSS

1 German is to spring around in remote place (8)
5 Attack giving stupid fellow trouble (6)
10 Singers in echo I recall (5)
11 Irishman going to wave for police-car (9)
12 Decide to hinder pit (9)
13 Dance with beat and energy (5)
14 Folios in a heap? Nonsense! (6)
15 Controller putting article in food trough (7)
18 Item in a newspaper could make it clear (7)
20 Ask for rag to be returned to poor fellow (6)
22 Act for each druggist (5)
24 Fact about Brook is sensational (9)
25 Prepare to limit a term of contract (9)
26 Artfully avoid woman holding notice (5)
27 Mean friend to make an effort (6)
28 Remain inferior and unsupported (8)

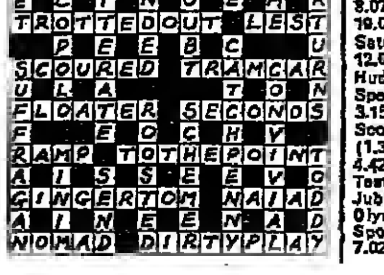
DOWN

1 Fish in river to put it in plain language (6)
2 Candidates for office lacking catalogue (5,4)
3 Ship needing more than one pilot (8-7)
4 Fancy putting lid on grain (7)
6 Where one may hear reports about filming on upper floor of theatre (8-7)
7 Exhausted by wrestling (3,2)
8 Pork supplier in pork fat and port (8)
9 Cook accepts direction in running water (6)
16 Settle down and put life in fireplace (9)
17 Sporting adjustment that's a disadvantage (8)
19 Turn north-east and follow with restricted will (6)
20 Obstruct one team-leader and titled person (7)
21 Cruel female making some progress (6)
23 Criticise the Spanish jury (5)

Solution to Puzzle No. 4,201



Solution and winners of Puzzle No. 4,196



Mrs. Dunn, 1 Swallowfield Park, Reading, RG7 1TG.

Mr. H. S. Watt, Kirkham, Vistow, Selby, N. Yorks YO8 0UT.

Mrs. E. Wharhurst, 55 Old Fold View, Barnet, Herts.

TV Radio

BBC 1

† Indicates programme in black and white

7.40-8.30 am Open University (Ultra high frequency only). 9.05 Gymnast. 9.30 Multi-coloured Swap Shop. 12.12 pm Weather.
12.15 Olympic Grandstand: Football Focus (12.20); Winter Olympic Games from Lake Placid (12.50, 1.25, 1.55, 4.25, 5.05); Racing from Chepstow (1.05, 1.35, 2.05); Rugby Union (2.25) England v Wales, and at 4.00 Scotland v France; 4.40 Final Score.
5.20 The Pink Panther Show.
5.40 News.
5.50 Sport/Regional News.
5.55 Wonder Woman.
6.40 Jim'll Fix It.
7.15 "Seven Brides For Seven Brothers," starring Jane Powell and Howard Keel.
8.55 Dallas.
9.45 News.
9.55 Match of the Day and Winter Olympics Special.
11.15 Parkinson with guests.

All Regions as BBC 1 except as follows:—

Wales—5.50-5.55 pm Sports News Wales. 12.15 am News and Weather for Wales.

Scotland—2.25-4.25 pm (Grandstand) Rugby Union: Scotland v France and at 4.00 England v Wales. 4.55-5.05 Scoreboard. 5.50-5.55 Scoreboard. 9.55-11.15 Sportscene: Winter Olympics Special. 12.15 am News and Weather for Scotland.

Northern Ireland—4.55-5.05 pm Scoreboard. 5.50-5.55 Northern Ireland News. 12.15 am News and Weather for Northern Ireland.

England—5.50-5.55 pm (South-West only) Spotlight Sport.

BBC 2

7.40 am-3.10 pm Open University.
†3.10 Saturday Cinema: "His Excellency," starring Eric Portman and Cecil Parker.
4.30 It's Today.
5.00 Horizon.
5.50 Mr. Smith's Indoor Garden.
6.15 Open Door.
6.45 Worlds Apart.
7.35 News and Sport.
7.50 Top Table.
8.25 Free to Choose: A Personal Statement by Professor Milton Friedman.
†8.55 Gangster Movie: "Angels With Dirty Faces," starring James Cagney and Humphrey Bogart.
10.30 Playhouse.
11.25 News on 2.
11.30 Midnight Movie: "Man Of The West," starring Gary Cooper.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.
12.30 am World of Sport: 12.35 On the Ball; 1.00 International Sports Special (part 1): Hawaiian Masters Championship; 1.10 Swimming from Paris; 1.15 News; 1.20 The ITV Five—1.30, 2.00 and 2.35 from Nottingham; 2.23 and 2.52 from Harringay; 3.00 International Sports Special (part 2): Table Tennis: Norwich Union English Closed Championships; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Doctors and Nurses.
5.30 Happy Days.
6.00 Dick Turpin.
6.30 Stars in Action: "Terror On The Fortieth Floor," starring John Forsythe and Joseph Campanella (TV Movie).
8.15 The Faith Brown Chat Show.
8.45 Enemy at the Door.
9.45 News.
10.00 Heartland.
11.00 Saturday Night People.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Andrew Cruickshank reads from "Through The Year With J. B. Phillips."

All IBA Regions as London except at the following times:—

ANGLIA

9.35 am Play Guitar. 10.05 Kum Kum. 5.15 pm Cartoon Time. 5.30 Mork and Mindy. 6.30 Saturday Film: "Do You Take This Stranger?" starring Gene Barry and Joseph Cotten. 12.30 am At The End Of The Day.

ATV

9.10 am A Better Read. 9.35 Play Guitar 11. 10.00 Clue Club. 5.15 pm Mork and Mindy. 5.45 The Adventures of Dick Turpin. 6.15 Miss ATV 1980. 6.30 Saturday Cinema: "Doctor In Trouble," starring Leslie Phillips. 11.00 The Late Night Movie: "Hammerhead," starring Vince Edwards, Judy Geeson and Diana Dors.

BORDER

9.00 am A Better Read. 9.30 Play Guitar. 10.00 Friends of Man. 5.14 pm Border Weather. 5.15 Mork and Mindy. 5.45 The Adventures of Dick Turpin. 6.15 Saturday Night At The Movies: "Boy on a Dolphin." 9.59 Border Weather. 10.00 Play. 11.45 Curling.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.15 Mork and Mindy. 5.45 The Adventures of Dick Turpin. 6.15 Feature Film: "Warlock." 11.00 Untamed World. 11.30 Barney Miller.

GRAMPIAN

9.30 am Sesame Street. 5.15 pm Cartoon Time. 6.30 The Saturday Western: "The Scalphunters," starring Burt Lancaster, Shelley Winters and Telly Savalas. 11.00 Seachd Laithean. 11.15 Feature Film: "Deliver Us from Evil," starring George Kennedy. 12.40 am Reflections.

GRANADA

9.30 am A Better Read. 9.55 Larry The Lamb. 10.05 Fangface. 5.15 pm Chips. 6.15 The Adventures of Dick Turpin. 6.45 Saturday Film: "Bless This House." 11.00 Saturday Premiere: "The Man With The Power." 12.45 am Second City Revue.

HTV

9.10 am Numbers At Work. 9.35 Lucan. 6.30 pm Saturday Cinema: "Doctor In Trouble," starring Leslie Phillips, Harry Secombe and James Robertson Justice. 11.00 The Late Film: "Madame Sin," starring Bette Davis.

HTV Cymru/Wales—As HTV West/HTV General Service except: 5.30-6.00 pm Sion A Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Fantasy Island. 5.15 pm Cartoon. 6.30 Mind Your Language. 6.30 How The West Was Won: "The Rustler," starring James Arness. 11.05 Late Call. 11.10 Soap. 11.35 Luke's Kingdom.

SOUTHERN

9.45 am Play Guitar 11. 9.19 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Sam. 6.30 pm "Please Sir!" starring John Alderton. 8.15 Love Thy Neighbour. 11.00 Southern News. 11.05 "Castle of Evil," starring Scott Brady.

TYNE TEES

9.00 am Saturday Shake-Up. 9.05 Space 1999. 9.55 Saturday Shake-Up. 10.05 Cartoon Time. 10.15 Saturday Shake-Up. 10.25 The Saturday Movie—"Tarzan Goes To India." 12.20 pm Saturday Shake-Up. 6.30 "Doctor In Trouble," starring Leslie Phillips. 11.00 Love Thy Neighbour. 11.30 The New Avengers. 12.30 Epilogue.

ULSTER

9.30 am A Better Read. 9.55 Larry The Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.30 Make It. 8.59 Ulster Weather. 11.00 Fantasy Island.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Sports Results. 5.15 Mork and Mindy. 5.45 The Adventures of Dick Turpin. 6.15 Feature Film: "Warlock," starring Richard Widmark and Henry Fonda. 11.00 Saturday Night in the West. 11.30 Barney Miller. 11.55 Faith For Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Rocket Robin Hood. 9.15 The Beachcombers. 9.40 Space 1999. 5.15 pm Cartoon Time. 6.30 Saturday Action Adventure: "Crisis At Sun Valley." 11.00 The Saturday Night Film: "Take A Girl Like You."

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Cricket: Golden Jubilee Test. 5.03 Tom Edwards (S) including 6.02, 7.03, 8.03 Cricket and 8.04 Racing Bulletin. 8.07 David Jacobs (S) including 9.02, 10.02 Cricket. 10.03 Pete Murray's Saturday Show (S) including 11.02, 12.02 pm Cricket. 1.02 The News Huddlines. 1.30-6.00 Sport On 2: Rugby Special (1.30, 2.05, 2.25, 2.50, 3.00, 3.15, 4.50, 5.25) England v Wales, Scotland v France; League Football (1.30, 2.10, 2.45, 3.00, 3.10, 3.45, 3.55, 4.42 and at 5.00, 5.45 classified scores; Test Cricket (1.30, 2.00, 5.35) Golden Jubilee Test: India v England; Winter Olympics from Lake Placid (1.30, 5.30); Sports Report (5.00). 6.03 Europe 80. 7.02 Beat The Record. 7.30 Big Band Special (S). 8.02 Thank You For The Music: Tribute to Norrie Paramor (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-5.00 am You and the Night and the Music (S), including 5.02 Cricket.

RADIO 3

7.55 am Weather. 8.00 News. 8.05 News. 9.05 Record Review. 10.15 Stereo Review. 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 String Quartet (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 BBC Singers (S). 7.30 Royal Liverpool Philharmonic Orchestra concert, part 1: Elgar (S). 8.20 Radio 3 Short Story Competition (second prizewinner). 8.35 Concert part 2: Sibelius (S). 9.30 The Scholar-Critic: An appreciation of Bateson by Mark Storey. 10.15 The Cries of London set by Luciano Berio (S). 10.35 A Musical Obsession: Reger and Mozart (S). 11.55-12.00 News.

VHF with Medium Wave above except as follows: 6.00-8.00 am Open University (S).

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday-Afternoon Theatre. 3.30 Does He Take Sugar? 4.00 News. 4.02 God In My Language. 4.30 Time for Verse. 4.40 Submarine. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with Timothy West. 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Encore with Sheridan Morley. 11.00 Lighten Our Darkness. 11.15 Miles of London (S). 11.45 Signing On. 12.00 News.

TV RATINGS w/e Feb. 10

UK TOP TWENTY (viewers m)

1	Jim'll Fix It	(BBC)	19.15
2	This Is Your Life	(Thames)	18.85
	The Dick Emery Show	(BBC)	18.85
4	All Creatures Great and Small	(BBC)	18.45
5	Coronation St. (Wed.)	(Gran.)	18.40
6	The Benny Hill Show	(Thames)	18.05
7	Coronation St. (Mon.)	(Gran.)	17.30
8	Wonder Woman	(BBC)	16.05
9	Robin's Nest	(Thames)	16.00
10	Give Us A Clue	(Thames)	15.55
11	Keep It In The Family	(Thames)	15.15
12	Chief Of Detectives	(ITV)	15.05
13	Crossroads (Wed.)	(ATV)	14.95
14	Crossroads (Thur.)	(ATV)	14.80
15	Armchair Thriller: Dead Man's Kit	(Southern)	14.70
	Dallas	(BBC)	14.70
17	Crossroads (Tue.)	(ATV)	13.90
18	Crossroads (Mon.)	(ATV)	13.80
	Watch This Space	(BBC)	13.80
	Airport	(BBC)	13.80

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen Ratings)

1	Dallas (drama)	(CBS)	31.1
2	Dukes of Hazzard (comedy)	(CBS)	30.4
3	Little House On The Prairie (drama)	(NBC)	28.2
4	Three's Company (comedy)	(ABC)	27.7
5	60 Minutes (News)	(CBS)	27.4
6	CHIPS (drama)	(NBC)	25.8
7	Tenspeed and Brown Shoe (comedy)	(ABC)	25.4
	Archie Bunker's Place (comedy)	(CBS)	25.4
9	Alice (drama)	(CBS)	25.0
10	ABC Sunday Night Movie: "The Deep"	(ABC)	24.5

COLLECTING

Great French style

BY JUNE FIELD

"YOU SEE," said the two artists who founded the Compagnie des Arts Francais, "you are not at the Exhibition of Sue et Mare but rather seeing the work of a group of friends who, whilst keeping their freedom for individual work, have come together in order to produce works that are more complex, with certain ideas and their own professional knowledge." (The "friends" included glass-maker Maurice Marinot, sculptor Pierre Poisson, painter and wood engraver Paul Véra and graphic artist André Marty.)

These comments from *Art et Decoration*, 1920, reprinted in Raymond Foulkes scholarly catalogue of the current exhibition, *The Extraordinary Work of Sue et Mare*, are still appropriate. They sum up the innovative work of architect Marie Louis Sûe (1875-1968), and André Mare (1887-1932), basically a painter, who started their company in Paris in 1919 to design complete interiors.

The exhibition is at the gallery of The Foulkes-Lewis London SW10, open today, 11 am-6 pm, then Tuesday until next Saturday. The luxuriously bound portfolio-style catalogue (gilt lettering on maroon boards, with matching ribbon-ties), with 30 full-page illustrations is obviously a definitive work to be treasured; in a limited edition of 500, it currently costs a special price of £25 plus £1 postage from the gallery.

This exhibition complements the equally impressive one held last year at the gallery to mark the centenary of cabinet-maker Emile-Jacques Ruhlmann (1879-1933). The organisers, Raymond Foulkes and Jenny Lewis, maintain that the aim of the twin events is not only to promote the gallery as a leading authority on the furniture of the period, but to establish the trio where they belong in the hierachy of French artists and designers.

Their purpose is to make a positive and original contribution to the current re-assessment of the period, and to put over the case for a clearer definition of the term Art Déco, plus a more thorough analysis of the 1920's epoch.

Perfume flacons in black opaqué glass, 1925, from the catalogue of "The Extraordinary Work of Süe et Mare by Raymond Foulk," on display at the exhibition of the same name at The Foulkes-Lewis Collection, 247 Fulham Road, London, SW10, today, 11 am-6 pm, then Tuesday until next Saturday

"The thesis is, firstly, that in developing the great French style, these artists alone created the comprehensive stylistic movement that had been sought by the organisers of the 1925 Exhibition, designing every element for the interior from the overall architecture to the carpets and door handles; and secondly, that the work of Ruhlmann and Sue et Mare represents the final manifestation of the French style.

"They were the last in the old school rather than the first in the new. With the death of Art Déco—as expressed at the event from which the term is derived—came the death of the great French style which had begun at the time of Louis XIV."

The fascinating exhibits — rich, highly polished furniture in exotic woods, plus glass, silver, books and drawings — are all fully documented with impeccable provenance. For instance, a 1927 cabinet, of carved solid macassar ebony on oak, with mother-of-pearl and silver inlay, the doors mirrored inside, came from the St. Cloud villa of comedienne Jane Renouardt, directress of the Theatre Daunou. (Other fashionable clients included couturier Jean Patou and Helena Rubinstein.) Louis Süe designed the house, and rooms were decorated in black and pink; the cabinet's pink lacquer and black interior repeats the colour scheme, making it probably one of the most striking items of Déco furniture to have been produced.

The most eccentric piece (the catalogue calls it aggressive, modern and bizarre) is the large macassar ebony commode, c1925, on gilt-wood feet; the bright orange, pink and yellow marine scene in lacquered wood marquetry on the doors was designed by Mathurin Méheut (1882-1958), the top is heavily figured black and white marble, and the interior of the shelves and drawers are in stained bird's-eye maple. Particularly elegant though are the more basic items such as the black faceted glass perfume flacons, a silver-plate tea-set en-suite with a pair of graceful water-pitchers, three sets of door-furniture, and a supremely practical but handsome white ceramic tobacco jar on a curved stand, on which pipes can be rested, bowl down, against the jar, which has similar indentations to support the stems.

It is not easy to establish the worth of these rare pieces, or even who it is that acquires them. Serious, wealthy collectors, certainly, where discretion is important, the organisers admit, stressing that although the collection is for sale—they are presently negotiating for its disposal as a whole—this is not the immediate goal.

Among the major collectors are museums, notably the Musée des Arts Decoratifs, Paris, and the Metropolitan Museum of Art, New York. In 1925 the latter purchased a Süe et Mare ebony and bronze desk from the Paris 1925 Exhibition for FFr 100,000 (c£1,000). For current price indications, on June 20 last year at the Hôtel Drouot in Paris, a metal and glass salon table designed by Süe et Mare, made after they split up, by Fontaine et Cie in 1932, sold for the hammer price of FFr 154,000, plus auctioneers' commission of 11 per cent, a gross of around £20,200.

Downhill showdown

WINTER SPORTS
ARTHUR SANDLES

ALREADY the Lake Placid snow battles are proving much less predictable than expected —and thank heavens for that. Only a couple of days ago I was with a group of Dutch who were bemoaning the state of their speed skating squad. Then, suddenly, the supposedly unbeatable American Beth Heiden is crushed and teenage Dutch girls take the first two speed skating medals. Even the starless Austrians, resigned to a bronze at best in the men's ski downhill, suddenly find themselves with a hero and the much covetted Downhill Gold.

This weekend the scene is set for more surprises and more spectacle. But, riveting though the prospect of further speed skating (Eric Heiden in the 5,000m), lots of bobsleighing on the daunting Placid track and the first jumping, the real fascination lies in the ski battle between Annemarie Moser-Proell and Marie Therese Nadig. Austria's Proell and Switzerland's Nadig meet in the Women's downhill on Sunday. Proell is the long term heroine and Nadig the one with recent good form.

Proell, in theory, still has the beating of the Swiss girl, but in practice suffers from last minute nerves. Personal rivalry and national pride clash in this one event perhaps more than any other in the winter Olympics. The pressure, which must tell more on Proell than Nadig, is enormous.

Sentiment must surely be on the side of Miss Proell, daughter of a large farming family, who will abandon the competitive slopes after Lake Placid and probably devote the rest of her life to building up the new family business of selling Apfel Strudel and Sacher Torte to tourists.

Even an experienced recreational skier should not look upon women downhiller's with disdain. A couple of year's ago I had my own come-uppance when skiing the women's downhill course outside Innsbruck. Arriving puffing but in one piece at the bottom, I discovered that Miss Proell's time for the same run was four times faster than my own. But then, the way I ski, 15 mph from the top of a mountain to the bottom is an alarming pace.

The link between competitive skiing and the real recreational thing is not as tenuous as such statistics may suggest. Ski technique, equipment and clothing would be rather different if the ski racers were not there to test the novel and demand the best.

Not that the skis used by the Olympic racers are available for general sale. Most top bracket skiers use equipment which is hand-made to the demands of the skiers themselves or their trainers. A ski is not simply a plank of wood with pretty paint, but a complex piece of equipment of strange differences in flexibility between nose and tail.

The Olympians will tend to use a very firm ski which relies on the ability of the driver to make the decisions. We mere holiday skiers need something more forgiving. The older I get the more I look to a soft-nosed ski that gets me into the turns nicely but has a firm heel that facilitates the sort of panic recovery that is my norm—thus my affection for skis like Kneisol White Stars and Olin IVo. This type of ski would give any racer the shakes, literally, as soon as it approached their daunting cruising speeds.

Where ski teams use production models it is usually for testing purposes, and then two or three years before models actually come to the markets. Racing reactions are considered and built in to the final versions. The process is very similar to that of motor racing.

The impact of racing on other aspects of ski equipment is also considerable. Clothing gets lighter and warmer as a result of the racer's need to keep wind resistance down and body temperature up. Perhaps more important is the racing skier's need for good bindings. The fact that a ski racer's legs are worth rather more than yours or mine, means that tremendous research has gone into this aspect of ski engineering. A 12-stone skier hitting a bump at 70 mph puts an enormous strain on a binding. Thank heavens the racers are there to take the risks first.

And so back to Lake Placid and this weekend. Amid the boredom of repeated playing of the East German anthem thanks to victories in the bob and toboggan races we are, I suspect, in for a roar of American delight as Beth Heiden wins the first U.S. gold medal of this winter's games. For the real excitement, however, watch the women's downhill. My money is on Nadig, my heart with Proell. American Cindy Nelson could spoil it all for both of them.

SNOW REPORTS

EUROPE

Isola (Fr.)	120-155 cm	Hard packed snow on piste.
Val d'Isere (Fr.)	175-275 cm	Some pistes becoming icy.
Zermatt (Sw.)	60-250 cm	Excellent above 2,000 metres.
Grindelwald (Sw.)	30-135 cm	Good skiing on upper slopes.
Davos (Sw.)	105-225 cm	Excellent skiing.
Wengen (Sw.)	40-140 cm	Excellent snowy skiing.
Andermatt (Sw.)	60-230 cm	Some icy patches.
Kitzbuehel (Aus.)	30-140 cm	Worn patches on low slopes.
St. Anton (Aus.)	90-300 cm	Some lower slopes icy.
Wildschoenau (Aus.)	50-160 cm	Some powder on hard base.
Sauze d'Oulx (It.)	35-100 cm	Piste good. Some ice.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.)	6-16 ins	Powder. 22 of 70 runs open.
Stowe (Vt.)	2-18 ins	Powder. 12 of 35 runs open.
Hunter (NY)	15-68 ins	Man made. 15 of 35 runs open.
Park City (Utah)	24-61 ins	Very windy. Access blocked.
Aspen (Col.)	24-48 ins	Packed powder.
Squaw Valley (Calif.)	16-72 ins	Packed powder, still falling.

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND

Cairngorm:	All runs complete.	Wet snow, rain coming.
Glenshee:	All runs complete.	Hard pack high, wet low.
Glencoe:	All runs complete.	Wet high, very wet low.
Lecht:	Main runs complete.	Hard pack on firm base.

Club spirit

GOLF
BEN WRIGHT

IT HAS always been a source of delight and wonderment to me that, while the rest of the sports world is not even slowly, but certainly surely going mad, golf and its players continue to retain a sense of integrity, fair play, and even dignity. It doesn't seem to matter whether they are competing for 50p or £10,000, but obviously the deeds of the professionals are more readily and regularly visible. There is still such a refreshing absence of skullduggery petulance in the Royal and Ancient Game one wonders how long such a state of affairs can continue, particularly as golf becomes more and more commercialised.

Is it naive to believe that the game can remain untainted, as legalised gambling returns to the *fairways*, inflation runs riot, and economic recession makes survival, let along making a profit, monthly more problematical for golf equipment manufacturers?

After all, soccer players openly talk of, and just as shamelessly commit, "professional" fouls as winning grows more important to those who pull the purse-strings. Tennis players publicly, almost proudly, parade their petulant gestures and shout evermore loudly their obscenities, as umpires' decisions are regarded as anything but final.

So why and how does golf remain untouched by such poisonous influences, especially when one considers that its professionals receive no minimum wage, and scramble weekly for a king's ransom?

For instance, Chi-Chi Rodriquez, the veteran Puerto Rican who has supported a gaggle of relations with prodigal generosity for as long as I have known him, disqualified himself after three rounds of the recent Phoenix Open. This marvellous little veteran entertainer had fallen foul of a new rule—in my opinion one of many that is consummately stupid — that insists that a professional shall change neither the make, nor the number, nor compression of his golf balls during a round.

It used to be a legitimate tactic, and since everyone could do it, why not change the make and compression of the ball from hole to hole to suit the conditions. Thus, when he reached a downwind par three of 150 yards, the deftly-intelligent professional would opt for a low compression golf ball, with proven high-flying characteristics in the hope of landing it as softly on the green as a game bird punctured by a marksman's lead. Then, if he turned round into the wind at the next hole, a par 5 that was just within range of two really well-hit and accurate shots, he would reach into the bag for the high-compression ball renowned for its low trajectory.

Rodriguez remembered when he was sorting through his equipment in his motel room after Saturday's third round in Phoenix that he had changed both the compression and the painted number of his golf ball midway through the round that day, a particularly cold and windy one. He immediately telephoned Clyde Mangum, the deputy commissioner of tour operations—to give this soft-spoken Southern gentleman his full, awesome title—and announced that he was disqualifying himself.

Obviously Rodriguez need not have done so, since the infraction had not been discovered and could never have been proved in any case.

The point that I have been tryin gto make is that, despite the fact that the ever-thickening rule book is robbing golf of its inherent simplicity, despite the attempts of manufacturers to flood the market with gimmicky rubbish which has resulted in a cut-price war of cutthroat intensity, despite the fact that a constant flood of contradictory instructional material blinds some of its victims with phoney science, the golfer is essentially a wise bird. He may not always be an athlete in the truest sense, but he has the good sense to realise that the game relies on his honesty.

The great thing about being just a contented hacker is that, when the game is played in the right spirit, the dreaded rule book is superfluous — and no golfer I know has ever run screaming to a referee.

RACING

DOMINIC WIGAN

LOUGHNAVALLEY AND top weight Rathconrath have been withdrawn from the Graham-Reeves Hurdle at Chepstow, but Fred Winter is not without a runner in the Monmouthshire track's intriguing handicap, for Ben de Haan partners Stopped.

This tough eight-year-old can contribute towards a highly profitable afternoon for Uplands. A disappointment in several attempts following a win at Devon back in August, Stopped made no mistake at Fontwell last time out: coming home at his leisure in the Sussex Handicap Hurdle.

With de Haan's 7-lb allowance reducing his weight to 10 st 13 lb, Stopped can complete the double by out-pacing the grey Silver Shark gelding, Silversmith, whose recent effort at Wincanton must have encouraged Ian Wardle. Of the remainder, I have most regard for Hunting Cry, a leniently treated gelding who followed up a Newton Abbot success last season by running out one of the easiest winners seen at Cheltenham in the 1978-79 campaign.

Although there are small fields for the two most valuable events at Nottingham, the Nottinghamshire Novices Chase and the Ladbroke Betcha Handicap Hurdle, both events will take a good deal of winning. In the first-named race, Beacon Light faces Drusus as he attempts to extend his unbeaten sequence over fences to seven; while the Ladbrokes race has brought together Danish King, Millioondollarman and Swashbuckling.

Beacon Light seems likely to be up to his task (though I would not care to take prohibitive odds about him) while Milliondollarman can spring a surprise.

With the ground sure to be testing in the extreme at Lingfield, backers will do well to sort out those animals who have shown an appreciation for the mud. One who seems to fit the bill on the Surrey course is Trojan's Centenary, a bay filly by Crooner who achieved a 33-1 success first time out last season in heavy ground at Plumpton.

LINGFIELD
2.00—Sir Owen**
3.00—Lochus
3.35—Trojan's Centenary***
4.35—Distingo

NOTTINGHAM
1.30—Beacon Light
2.00—Flitgrove
2.35—Milliondollarman*
3.05—Rough-cast
3.35—Firs Park
4.05—The Tsarevich

CHEPSTOW
2.15—Stopped
3.15—Princely Mark

Sad souvenirs

CURRENCY
JAMES MACKAY

NO BRANCH of notaphily is more steeped in human interest than the currency notes used in the Nazi concentration camps of World War II. Before and during the war the Nazis established 30 major and 250 minor or temporary concentration camps in Germany and occupied Europe and most of them are believed to have used their own canteen money.

Understandably examples of the crudely printed scrip used in these camps are extremely rare. The larger camps, which were like a state within a state, complete with all the paraphernalia of modern government, had their own postal systems with stamps and a monetary system using specially designed and printed notes.

Though commoner than the more ephemeral canteen notes, the paper money of Dachau, Oranienburg, Litzmannstadt and Theresienstadt is exceedingly elusive. It is a major coup, therefore, that Stanley Gibbons has recently acquired one of the largest and most important collections of concentration camp money ever formed, and are now in the process of breaking it up for sale as individual items.

The very first camp was established at Dachau in 1933 shortly after Hitler became Chancellor. Though the camp was originally intended for Communists it soon expanded its activities. Among the eminent people imprisoned there were Dr. Schuschnigg, the last Austrian Chancellor, Leon Blum, the French Premier, and Hjalmar Schacht, former President of the Reichsbank. One wonders what Schacht, architect of Germany's economic recovery after the inflation of the 1920s, made of the Prämienschein notes of Dachau, with their strictly utilitarian design and value of 50 pfennigs. Today such notes are worth about £600.

The notes used in Oranienburg were more elaborate. The 5pf note seems innocent enough, with its general view of the camp, but the 50pf note strikes a grim chord, with its barbed-wire motif and pictures of Nazi guards. These notes today are worth about £185 and £850 respectively.

The money used in Buchenwald was unusual in that it was used mainly by the S.S. guards but also issued as incentives to certain prisoners who did vital war work for the Germans.

The identity of the camps was not always disclosed in the inscription. The notes bearing the German inscription signifying "German Textile and Clothing Factory Ltd." were intended for use at the women's concentration camp of Ravensbruck, though their true nature is sometimes shown by the presence of the Waffen S.S. handstamp.

Theresienstadt (now Terezin in Czechoslovakia) began as a privileged ghetto for older Jews and those who had held high office. It was designed as a show-piece, a bit of window-dressing for the International Red Cross, and had limited self-government.

Not all ghetto notes were issued under German auspices. A series of six denominations was used in the Warsaw Ghetto during the uprising of 1944. Handprinted from either wood-cuts or linoleum blocks on one side only of cheap quality paper, they have a stark vignette of Stars of David and the SS monogram in flames. Very few of these notes survived the German assault on the Ghetto and its complete destruction, though Gibbons have a complete set at £295.

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Saturday February 16 1980

Looking over the horizon

A WEEK WHICH brought some of the worst news that even shell-shocked British investors bave beard for a long time ended fittingly yesterday with a plunge of 11.3 points in the FT Industrial Ordinary index and falls of up to 1½ points in gilts, in response to the monetary tigbtening in the U.S. But looking at the week as a whole, the most remarkable aspect of the markets' behaviour was their resilience. Despite terrible wholesale and retail price figures, an unexpectedly large jump in the cost of raw materials, a string of disappointments on the labour front, continuing over-shooting by the money supply, a sharp deterioration in the trade figures and, finally, a further monetary squeeze in the U.S., equity prices ended the week marginally higher than they began. If investors have been able to take all this with equanimity, it is hard to imagine what disasters they have not yet discounted.

Imagination

When there is an almost total consensus in the markets about the immediate future, the only way for analysts and fund managers to earn their living is to start looking further and further ahead. As the markets move towards their traditional pre-Budget limbo, many investors are setting their sights on tha horizon, rather than on events going on immediately before their eyes. Some are stretching their imaginations beyond the horizon, and believe that they can detect the outlines of a future quite different from the one suggested by extrapolating current trends. That is presumably why the FT Index has gained 14 per cent in the past six weeks

Certainly the prospective profitability of British companies in the next five years, provides no support for a hull market in equities. But in the recent spate of takeover bids companies bave been valued on their assets, rather than on their earnings.

As in America, the realisation that inflation will take years, if not decades, to combat, bas given equities the adge over fixed-interest securities. There is talk again of the relationship between the yield gap, currently 7.8 per cent, and the long-term rate of inflation. With inflation now approaching 20 per cent and unlikely, even on the more optimistic forecasts to fall much below 15 per cent by the middle of 1981, the yield gap is seen as a support for equity prices.

Of course reconciling inflation at that level with a monetary target below 11 per cent for another year will be a daunting task. It may well produce further tensions in the money market which would cause real agony for industry—or require furtber "smoothing operations"

This is why the Confederation of British Industry's call for more tax cuts in the coming Budget is surprising. It is only the fall in real output which is generally expected to occur this year that makes a decline in interest rates likely. If the Government's deficit were increased, either output or interest rates would suffer.

Nevertheless the bulls who are determined to look beyond these all too evident problems, have been finding some comfort in reinterpreting the uncertainties of the future. Even the week's dismal labour news items were found to have silver linings. The steel craftsmen rejected the 14 per cent pay deal which their negotiators had agreed: Sir Michael Edwardes was defeated in the British Leyland ballot, and the water workers threatenad to strike despite a 19 per cent pay offer. Bnt there is evidence that the Government'e determination to achieve a spread of pay settlements, in accordance with the prosperity of the relevant industries, is having some success.

On the international front, rumours and hints coming out of Iran bave suggested that a solution to the hostage problem may be in sight. As the dollar strengthened and gold weakened slightly, it was possible for some equity investors to bope that a new period of tranquility in American relations with the oil producing nations might be round the corner. One of the reasons for Iran's aoftening line seems to be concern about the Soviet threat in Afghanistan, which the Arabs share. Any change of heart by OPEC about the suitability of dollar assets, would not only belp to check the rise in American interest rates, but might also take some of the upward pressure off sterling–

North Sea

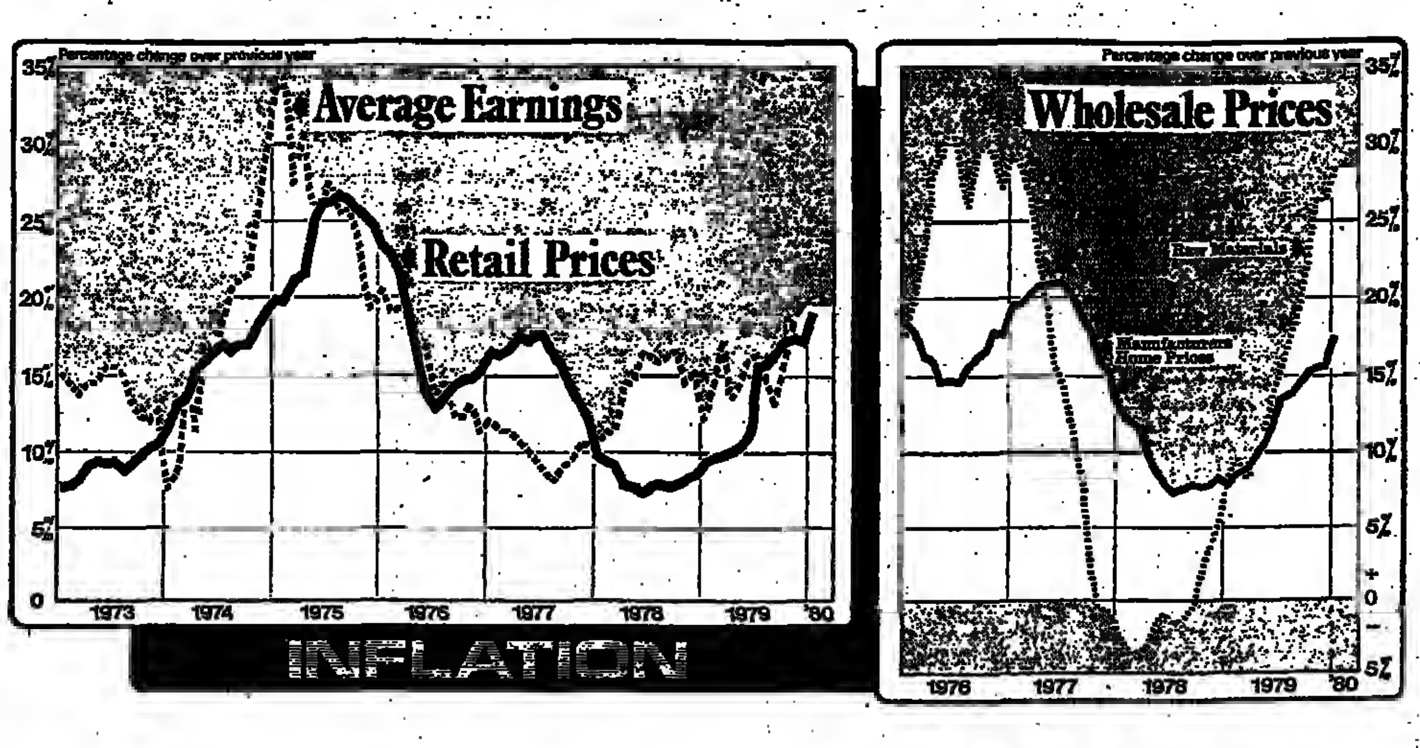
But the best reason for optimism, which British investors are now rediscovering for the third time in es many years, after belabouring it with their gloom for the past 12 months, is North Sea oil. As the period of full prodnction from the North Sea draws closer analysts are looking more closely not just at the disappointing halance of payments effects, but also at the enormous financial benefits from the North Sea.

While the inefficiency of British industry and the propensity of British consumers to buy imports may dissipate many of the benefits of oil for tbe economy as a wbole, it is becoming increasingly clear that the government will receive e very large income from the Nortb Sea. A circular from Capel-Cure Myers this week predicted tbat North Sea revenues could exceed the non-oil PSBR as early as 1983. With that sort of bonanza the predominantly monetary tronbles which have largely preoccupied investors for the past few years could well disappear. But the prohlems of the real economy will remain.

Prospects of 20 per cent inflation on the horizon

By PETER RIDDELL, Economics Correspondent

INFLATION may be essentially a monetary disease but the last week has shown that trying to cure it primarily by monetary means is neither painless nor qnick. The renewed surge in inflation has heen highlighted both by the wholesale and retail price indices and by further big rises in commodity prices, contributing to greater pessimism about world inflation prospects generally. In the UK this has helped to fuel the demand for bank borrowing which has kept monetary growth above the official target rate of increase.



While we have all become accustomed to inflation—and retail prices last actually fell in one summer month 20 years ago —recent events are inevitably reminiscent of 1974-75. There are prohably too many uncomfortable similarities for a Government wbose economic strategy rests on a successful fight against inflation. In the mid-1970s the 12-month rate of increase of retail prices jumped from single figures to nearly 27 per cent in less than two years. This time the 12-month rate has jumped from 9.3 to 18.4 per cent in a year.

Yet the parallels cannot be taken too far. Current fears are much less than in the early months of 1975 when City commentators were pouring out studies of hyper-inflation based on the experiences of Weimar Germany and Latin America. This time the mood is calmer about the short-term prospects, though not noticeahly optimistic about the chances of redncing the inflation rate to a low figure over the medium-term.

Money supply growth

Many economists would lay a lot of blame for the 1974-75 price explosion on the rapid growth of the money supply in 1972-73. Indeed the rate of retail price inflation was already moving into douhle figures before tbe sbarp rise in the price of oil and other commodities in the winter of 1973-74. The oil price increases made the position worse. From early 1974 onwards the UK's inflation rate eccelerated to well above the international average; by the end of the year earnings were rising at an annual rate of over 30 per cent. The runaway inflation of this period reflected the catching-up of pay rises after the spectacular collapse of the Heath Administration's incomes policy and the big boost to wage bills from the statutory threshold agreements of the time.

In the past 12 months there has also been a sharp increase in oil and other commodity prices—resulting in a 27¼ per cent jump in tbe cost of manufacturing industry's raw materials and fuel. Moreover, a formal incomes policy has collapsed. But there the direct comparisons end.

The low point of the recent inflationary cycle was in the summer of 1978 when the 12-month rate of increase in retail prices was 7.4 per cent. This was probably artificially low, and showed the impact of tha appreciation in sterling in 1977 (which kept import prices down), of a fall in seasonal food and commodity prices, and the effects of an earlier period of fairly tight pay restraint. But even then it was clear that the inflation rate was likely to rise again. Monetary growth had accelerated during the winter of 1977-78 and incomes policy had begun to break down in the private aector—as was reflected in an acceleration in the rate of increase of average earnings from 9 per cent to over 15 per cent between the summers of 1977 and 1978.

Consequently, the 12-month rate of retail price inflation rose steadily over the antumn and winter of 1978-79. The upward pressure bas been reinforced hy the sharp rise in oil prices—adding perhaps 2½ percentage points to the index in the last year—and by the breakdown of pay policy in the public sector in the early months of last year. A further twist was added by the election because a number of public sector price rises were beld back until after May. Similarly, the abolition of the Price Commission may have resulted in some catcbing np of price increases previously deferred.

Ironically, the biggest boost to inflation came from the Government's own actions. The increase in Value Added Tax and other measures in the June Budget directly added between 3½ and 4 percentage points to the Retail Price Index; a point or two more may have come, indirectly, from higher public sector charges and rises in council house rents resulting from the squeeze on public spending.

To many observers the rise in VAT last summer was a major economic blunder since it significantly boosted the cost of living—on which pay hargainers focus—and raised inflationary expectations. It is too early to assess the full damage but the move immediately, led to talk about a 20 per cent inflation rate, and wage claims also at the same level.

Yet the subsequent acceleration has been small by comparison with 1974-75. Indeed the Confederation of British Industry claimed this week that an analysis of recent pay settlements suggested wide variations with an average level in the private sector hroadly similar to that of last year. But public sector pay bills, as opposed merely to basic wage settlements restrained within casb limits, have been boosted by the delayed impact of the awards of the Clegg Comparability Commission.

The latest official estimate is that earnings are growing at an underlying rate of about 18 per cent. While this is about 3 or 4 percentage points higher than a year ago and is obviously a move in the wrong direction, it does not represent nearly as unstable a situation as existed in early 1975. Then the average rate of growth of wages was eccelerating sharply from one settlement to the next. But the level of settlements settled down quite sharply last autumn at not far below its present level; while the 12-month rate of earnings increase may climb during the spring it sbows no signs of running away. Apart from the lessons learnt from the mid-1970s, one possible explanation is that the Labour Government's incomes policy broke down over a long period —ronghly two years—rather than suddenly and hence the adjustment and catching-up of differentials has been spread out.

Another big difference with the mid-1970s has heen in government policy, notably the existence of an official target for the rate of growth of the money supply since 1976. Although the record since then has been mixed, the threat of a substantial overshoot in monetary growth has generally led to at least a partial tightening of credit. The main way in which a monetary squeeze has operated has been via the exchange rate. Moreover the impact of the rise in interest rates has been reinforced by sterling's special status as a petro-currency at a time of rising North Sea oil production and soaring oil prices. The result has been an appreciation in the pound since January, 1979, of nearly 14½ per cent against the average of other leading currencies.

The rise in the pound bas directly affected inflation hy limiting the increase in import prices and so preventing an even faster rise in industry's raw materials costs than bas actually occurred. The indirect impact of a high pound is less certain. The theory is that a rise in sterling—and bence an improvement in the competitive position of imports—will put pressure on the prices and profit margins of domestic producers who will then resist big wage claims and a virtuous circle of declining inflation will follow. The first part bas happened since the prices charged for manufectured products have risen over the last six months et balf the rate of increase of industry's raw meterial costs.

Acceleration of earnings

These market pressures may have affected some private sector wage negotiations and limited the size of settlements. But the sceptics point out that market forces and a high pound bave not prevented an acceleration in the overall rate of earnings growth, partly hecause of the rise in indirect taxes. The combination of higher pay bills, squeezed margins and excessive levels of stocks bas created a continuing large demaud for bank loans which has prevented a reduction in monetary growth to within the target range.

Indeed this pressure, coupled with heavy sales of gilt-edged stock and seasonally large tax payments, has caused a severe shortage of liquidity in the money markets, which the Bank of England this week eased in the hope of preventing a rise in bank lending rates. This action was presented as a smoothing operation in response to, it is boped, temporary factors, rather than a change of policy. But critics of the Bank have suggested that it represented an easing of the squeeze in the face of inflationary forces which threatened a politically unacceptable level of interest rates. The issue has now heen deferred until the Budget on March 26. The general expectation is still that the next move in interest rates will be downwards, bnt most City analysts are now more cantious about the timing and scale of any change, in contrast to bopes last November that e 17 per cent Minimum Lending Rate would last for only a few weeks or a couple of months at most.

The inflationary surge highlighted by these monetary pressures is likely to mean a further rise in the 12-month rate of retail price inflation. Apart from higher oil prices and rising unit labour costs, the main influences are the widespread increases in various public sector services — gas, coal, electricity, telephone and postal charges and train fares— and a particularly aharp rise in the cost of housing following the rise in mortgage interest rates. The short-term outlook depends in part on what happens in the Budget. While the Government is likely to avoid the big rises in indirect taxes of last June, specific duties on alcohol, tobacco and petrol are generally expected to rise. Coupled with especially big rises in local anthority rents and rates in April, this is likely to be sufficient to push the 12-month rate up to 20 per cent hy the early summer.

This could be the peak, partly for the statistical reason that from mid-July onwards the big rise in prices caused by last summer's Budget will drop out of the period covered by the 12-month rate. However, last November's forecast by the Treasury that the 12-month rate will be down to 14 per cent by the final quarter of 1980 looks even more optimistic than it did at the time. Most private sector forecasters believe the rate will be between 15 and 17 per cent at the end of 1980.

The prospects beyond then are less clear. The CBI suggested earlier this week that as the distortions caused by years of pay control disappear, a deterioration in the financial position of companies and a fall in the demand for labour may ensure a decline in pay inflation, in the coming year. Consequently, with sterling possibly remaining strong and with commodity prices likely to weaken because of the world recession, UK price inflation could fall significantly in the year to mid-1981. But a lot will depend on the rate of pay rises, and world commodity prices have so far been rising, not falling.

Unemployment fears

Many academic and City economists believe that any slowdown in the underlying inflation rate will be gradual. On this view the Government's present policies will only prevent a deterioration, and the 12-month rate will still be in double figures in the mid-1980s, while the cost will be sluggish output and unemployment of over 2m. This can lead to calls for a return to formal pay restraint. There are certainly grounds for scepticism, though the doubts centre rather more on the depth of the Government's commitment to curb inflation by monetary means. Some critics argue that the problem so far has been that monetary policy has been of a hand-to-mouth character and has often eccommodated rather than resisted inflationary pressures. On this view what matters if the fight against inflation is to be both credible and effective is a medium-term financial framework setting out targets for a number of years ahead.

This issue is still being debated by Ministers and some are known to be wary of making sucb a commiment. Yet without sucb medium-term targets the task of reducing inflation through monetary policy will be even more difficult than it is already. While present policies may help to prevent a repetition of the 1974-75 situation, they may not be sufficient to achieve the lasting reduction in the inflation rate sought by the Government. And that, incidentally, is also what the City is assuming with yields on long-dated gilt stock of well over 14 per cent.

Letters to the Editor

Robbo

From the managing director, Numcrical Pizzas

Sir,—The laat administration of this country more than provided for the incidence of unfair dismissal. Why therefore should Mr. Derek Robinson's case (if he has one) not he dealt with by the machinery already well established letting the industrial Trihunal decide, as would happen in the case of any other employee?

John Collins.
24, Leg Street, Oswestry, Salop.

Unions

From Mr. P. McCaig.

Sir,—Most reasonable people could admire the spirit and intentions of the "Tollpuddle Martyrs" — and of many succeeding generations of sincere trade unionists — who battled courageously in those earlier years against economic oppression. But in those days the individual private employer was the target of the trade union movement. Who is the target today — and wbo suffers?

It is so often not the individual private employer but the general public, ie, fellow workpeople and trade unionists. Many of our current and recent problems relate to industrial action taken against bospitals (the public health), railways (a facility for getting to work), airways (often affecting the public's holiday plans), the steel industry (in the end affecting us all), independent TV (the loss of "Coronation Street" and "Crossroads"), and likely strikes in local government services, including the teaching of our children. And we may even get our water cut off — and sewage left "undisposed."

Does the trade union movement not now care about the interests of the community — or does it now believe that "the end justifies the (any) means"? Hasn't the British trade union movement "lost its way" somewhere along the road from Tollpuddle?

And this apart from the economic illiteracy of it all!

Peter A. McCaig.
23, Toller Road, Quorn, Loughborough, Leics.

Shareholders

From Mr. G. Schmerling.

Sir,—The arguments for a Loi Monory (Lombard, February 11) are primarily social and political. Half a million households "entering the stock market for the first time" means 1m voters acquiring an interest in a rewarding level of profits and dividends, in the complete abolition of the iniquitous investment income surcharge, and generally having a stake in the free enterprise system. It is socially the couoterpart of agricultural small-holdings and worth imitating.

G. Schmerling.
1, Whitehall Place, SW1.

Change

From Mr. M. Kellner,

Sir,—I have been unhappy to see the discussion in your columns and elsewhere which is, hy agreement between the protagonists, based on the assumption that the new generation of microelectronics will inescapably increase unemployment, and hence, misery.

The latest electronic devices merely represent the most recent stage in the development of contrivances which rednce the labour content of goods and services—a process which bas been going on for a long time, at an accelerating pace. Whether the most recent developments represent a step change or a steepening of the labour content curve is just a matter of semantics.

So far, industrial communities have adapted themselves to developments and benefited from them in a rising standard of living and in a falling number of working bours per year. If our economic system—or its management—does not allow us to do so now, this must be seen as a confession of unacceptable failure.

There is no excuse for structural unemployment, or for a substantial reduction in hours worked, as long as anyone lives below the poverty line, as long as any family haa to put np with poor housing, as long as any child is taught in an over-large class, as long as the Health Service is starved of money.

This is the cballenge. There is no justification for Luddite obstruction to engineering developments. We must find ways of mobilising the freed human resonrces to do what is socially desirahle and, I contend, economically necessary.

Michael Kellner,
1 Old Rectory Close, Tanfield, Stanley, Co. Durham.

Comptroller

From Mrs. V. Flegmann

Sir,—Professor Stamp (February 11) regrettably adds to the already existing confusion about the role of the Comptroller and Auditor General and about the work of the pnblic accounts committee. The Excbequer and Audit Department does audit the accounts of the Crown Agents, bnt does not monitor tbeir activities and even with "better qualified staff" could and should not bave done so. The fact that it was a letter of the Comptroller and Auditor General in October 1969 which set in motion the subsequent inquiries into the Crown Agents' activities is greatly to the E and AD's credit.

The idea that there exists an unholy dominance of the Treasury over the Comptroller and Auditor General has become an established myth, so it is well to remember that no real evidence for it bas ever been presented. Perhaps thet is why no attempt bas ever been made by the public accounts committee to curb the alleged evil influence. No one who made use of the opportunities available to all since March 1978 to attend the public meetings of the public eccounts committee could mistake the aubtle and restrained tone of their inquiries for "supine and servile." A careful examination of past inquiries should also dispel any suggestion of incompetence, for example, inquiries like that in 1972-1973 which led to changes in tha taxation of North Sea oil introduced in the Oil Taxation Bill 1974.

(Mrs.) Vilma Flegmann,
Bath University Centre for Fiscal Studies.
Claverton Down, Bath.

Welfare

From the Director, National Council of Social Service

Sir, — Professor Myddelton (February 6) asks "Why not denationalise substantially all the education, health and housing industries" as a means of cutting government spending? Professor Myddelton is right to ask the question in that in theory denationalisation is one of several possible futures for tha welfare state. In practice I believe substantial denationalisation is politically and practically impossihla because it would represent a giant step towards a two-nation society divided between those who can afford the price for the service and those wbo cannot. Those who cannot would beve to rely on a second-class, safety net, free service.

The cost of welfare services is only one consideration to be taken into account. Of equal importance is a consideration of the goals that welfare services seek to achieve. There is much evidence that statutory programmes fail to echieve their stated goals: too many young people leave scbool illiterate, innumerate or both; yesterday's grand bousing design is fit today only for the demolition squad; and so on.

Taking stock of the lessons of the past and the economic constraints of the present, there are strong arguments in favour of the state (centrally or locally) restricting its role in some fields to that of gathering taxes and rates and the equitahle distribution of those taxes and rates. It does not necessarily follow that it should be the state that actually provides all the welfare services. The large and increasing voluntary sector in this country which rightly looks to government for at least part financial support provides many examples of this approach. The voluntary sector has an additional advantage in that it provides an important opportunity for many members of the puhlic, inclnding clients, to he involved in both the planning and the delivery of welfare services, especially locally.

Nicholas Hinton,
26 Bedford Square, WC1

Engineers

From Mr. S. Oliver

Sir,—K. Swann (February 8) raises some interesting points on the "formation of the future engineer."

There is really no reason to expect that several institutions which are currently unable to achieve an objective would succeed if joined together (it didn't work at British Leyland).

The Institution of Production Engineers should change its name to the Institution of Production Technologists. This title would naturally include the management of production technology within its ambit. The management of production technology is concerned with the organization and control of the ectivities of production development (manufacturing techniques), tool design and manufacturing, machine and equipment technology, plant layout and design, work study, and value engineering (all applied to the economic manufacture of a product).

As a chartered engineer, my main reason for relucantly casting aside the title "engineer" was the debasement of the word in current usage, and examples abound. I was, however, surprised hy a more suhtle example when I read of a suggestion to create an "Institution of Information Engineers"—to embrace data processing activities in the computer world.

Pessimism has been "the order of the day." A professional institution's journal editorial made reference to the "perceived social value" of engineering and said that leaving any action to either the institutions, trades unions, Finniston or the Government is merely preserving the "status quo." The remedy lies with engineering companies and engineers themselves.

Well, it is even more complicated than that, and the further education establishments must take a lead. The chartered production technologist would (as at present) bardly be able to achieve this status much before the age of 30. The educational level must be the equivalent of a four-year university or polytechnic course (plus back-up elements) and the training very similar to that of medical students in its structuring. Paths must always be left open, bowever, for students to achieve the necessary level of education by part-time study. The overall course must include large elements of cybernetics, financial and human relations studies.

They wbo pay the pipers do in fact call the tunes, and the long period of practical training in the practice and management of engineering is, of course, in the hands of industry and it is bere that vital liaison is required between the institutions and industry. Naturally, the best of our youth will only be attracted to such a severe regimen if the personal and financial rewards are clearly stated.

Stanley Oliver
(Senior Lecturer).
Department of Business Studies and Management, Salford College of Technology, Salford.

Problems of the independent British film makers

The movie money maze

BY DAVID BELL

Lee Marvin (left), signed up for Stuart Cooper's "The Final Act," Walter Matthau (centre), who is in Otto Plasckes' "Hopscotch," and Nicol Williamson and Iman (right) in Otto Preminger's "The Human Factor," which cost the American director part of his art collection.

FINDING the finance to make a film is now more difficult than it has been for years.

John Schlesinger, a director with a long track record, took two years to raise the money for *Yanks* which is now on general release. At one point he was even negotiating with a sheikh.

Otto Preminger, whose film *The Human Factor* was released earlier this month, ended up selling part of his art collection to raise enough money to finish it.

Indeed as interest rates have been moving higher directors have had to get deeply involved with "talking to the money," a task they might once have safely left to others.

British film makers with ambitions to make large scale films realise that they must, from the start, set their sights firmly across the Atlantic. But in the present climate the obstacles are formidable enough for established directors (unless they join forces with one of the major Hollywood studios) and they are even more formidable for the small group of men and women trying to break into the business from Britain.

The film industry — the studios and very powerful distributors on both sides of the Atlantic—is suspicious of independent film makers. It is structured in such a way that they have to fight very hard to elbow their way in. And, once there, survival is by no means assured.

Mr. Stuart Cooper, who has several highly regarded but relatively low budget films to his credit, is one such director. His problems are typical of those that face the small band of film makers in Britain that is still determined to make good films on their own terms.

This week the book on which his latest film is based is published in London. Called *The Final Act*, it is a political thriller set in Chile about the gradual disillusionment of an American foreign service officer caught up in a web of Washington-inspired political intrigue.

The book, which is published in England by Michael Joseph, has an unusual pedigree in that its author—Mr. Christopher Hudson—has based it on the outline for the script that he originally wrote for Mr. Cooper. The publishers think highly of it and it has already been sold in the U.S.

For Mr. Cooper this will be a help. But its publication is really only a milestone on a much longer road that stretches back two years. The first problem for an independent director is to find the "seed money" to finance the writing of the script.

In Mr. Cooper's case this came from the National Film Development Fund which provided about £11,000 to cover the start-up cost. The fund, which has close links with the National Film Finance Corporation (NFFC) has helped 95 film projects with loans averaging £10,000. Only three have so far gone into production, but another 60 have reached the stage where they could go ahead if finance can be found.

The NFFC has aided more than 750 British films in its 30-year history, but its resources are limited and its future shape is still being considered by the Government. Meanwhile new regulations have been introduced this month for the Eady levy under which one-twelfth of all box office receipts are channelled back to the makers of successful British films.

Incentive

Some of the £7m raised by the levy each year does go to help new film makers, but most of it goes to successful British film makers reflecting its original purpose. This was to provide an extra incentive for them to shoot their pictures in Britain, thereby ensuring continuing employment in the industry. And British studios are currently very busy — with work for the major companies.

The levy thus makes little difference — for the moment at least — at the other end of the business: the raising of money before a film actually goes into production. And Mr. Cooper is looking for about $6m.

So once the script is finished the vital next step is to find a cast, and particularly a star. This often involves protracted negotiations — usually at arm's length — on both sides of the Atlantic.

Mr. Cooper has persevered and has signed Lee Marvin to play his hero. The cast is also to include Cliff Robertson and John Hurt.

At this stage, and until the film is actually off the ground, it is the cast which more than anything else a director must use as bait in his ceaseless efforts to pin down the finance.

Armed with a script, a cast and a budget many independents then approach one of the major studios with their package. The eight leading studios still operating in Hollywood (they range from MGM to Walt Disney) dominate the industry. Three British companies — EMI, Rank and ATV Associated Communications Corp — also have production programmes, but in recent years these have become increasingly slanted towards the United States.

The studios' first response to a package like Mr. Cooper's is usually to increase the budget by the 25-30 per cent that they claim they need to cover their fixed costs. They also lay first claim to box office receipts so that a film must do very well before the director gains much from it.

Universal liked what they saw of *The Final Act* but they said the script needed "more action and a bright ending." Warner Brothers thought it "one of the most interesting political thrillers" they had seen. But the changes that both studios would have demanded in return for financing the film were, in Mr. Cooper's view, too extensive in both financial and artistic terms.

The studios are by no means infallible. *Star Wars*, now one of the highest earners in the history of films, was hawked from studio to studio for three years. The legend is that 20th Century Fox only bought it in the end because the children of the then boss of the studio, Mr. Alan Ladd Jr., were interested in science fiction.

Film makers who do without studios can succeed very well. One of the most successful British producers is Mr. Otto Plasckes who made his reputation with *Georgy Girl* in the 1960s. He is just putting the finishing touches to *Hopscotch* —an independently made film starring Walter Matthau and Glenda Jackson.

He readily acknowledges that in raising money the cast is crucial. With Matthau in the lead for example, it is relatively easy to raise money by "pre-selling" a film. This means selling it in advance to cinema chains around the world in return for promissory notes that can be discounted at a bank.

Equally important, it means selling the film in advance to one of the three U.S. television networks and to one of the fast-growing American cable TV system. A film starring Robert Redford can mean an advance of $5m. Walter Matthau is worth between $3m and $4m. The "league table" of stars' earning power is constantly shifting and is engraved on the heart of many producers.

Pre-selling has now become a critical source of finance — particularly for independents. Mr. Cooper is on the verge of selling *The Final Act* to one U.S. cable-TV system and is in advanced negotiations with distributors in the U.S. and many other parts of the world. Gradually a web of promissory notes in being assembled.

But here, too, there are potential problems. Banks which are prepared to discount the notes or put up finance are very cautious about distributors. They insist on distribution and completion guarantees. And, of course, they charge interest.

British merchant banks—they include Guinness Mahon, Rothschilds and Antony Gibbs — are involved in the film business as are several major U.S., banks including Bank of America and First National Boston Corporation.

The banks are sometimes accused of being too cautious and stifling new projects. They argue that because they are lending their depositors' money they have to be sure that it is as safe as possible. "It's a fact that films are like soap powder in that they do have to be marketed. Some producers are very bad at marketing," said one merchant banker.

The rewards for films that succeed can be enormous and there is a fair amount of money looking for likely ventures. For pre-selling, and the complicated network of finance that it can unlock, may finance the greater part of the cost of a film, but it is unlikely to cover all the cost of it.

Partnership

Mr. Cooper is in partnership with Mr. Tim Abel-Smith, an experienced businessman, and the two of them have designed several schemes to attract private venture capital.

The 1978 Finance Act does allow investors in films under certain circumstances to set losses against three year's worth of previous earnings. For investors paying tax at high rates this can be a considerable advantage, but the Inland Revenue examines such schemes closely and needs evidence that the business is not just a one-off venture designed purely for its tax advantages.

The interim Action Committee on the Film Industry, chaired by Sir Harold Wilson, also proposed in its last report in June 1979 that other tax changes should be considered by the Government to bring the tax treatment of the British film industry more in line with that in the United States. If implemented these recommendations would also unlock new sources of finance.

Mr. Cooper's company Sawbuck Productions has been in existence for 13 years and has other ventures under way including an ambitious series for Thames Television's Euston Films subsidiary based on the life of Siegfried Sassoon, the World War I poet.

It, and other small production companies like it, have considerable potential. The coming of the fourth television channel, which is expected to take a significant proportion of its output from independent sources, should provide a range of new opportunities for companies like Sawbuck. Mr. Cooper already has his eye on this new market.

But his immediate challenge is to tie up the remaining finance for *The Final Act* and deliver it on time, within budget to the distributors and television companies who have bought it sight unseen. It makes selling soap powder seem quite easy.

Weekend Brief

The ill-starred start to the Chinese New Year . . . the Arab return to the British house market . . . Christie's and Tokyo's bidders

Hua (left) and Deng: star struck

Stars in the east

According to ancient Chinese superstition the appearance of comets and eclipses exert a malign influence over the affairs of men, and particularly over those in positions of power. If this is the case the Chinese leadership should perhaps approach the coming year with some foreboding.

This weekend, as China celebrates its new year, there will be an eclipse of the sun. It is possible it is the first time in Chinese history the two events have coincided.

Whatever the seers would have made of this unusual confluence of events, it is almost certain they would have regarded it as less than auspicious. In the past, a solar eclipse was said to bring about the loss of virtue on the part of the Emperor. Whether astrologers would apply such superstitious theories to the socialist "emperors" of today is an interesting question.

Certainly, Chairman Hua Guofeng, one of the most circumspect of men, gives no sign of losing his virtue or even his position as chairman of the Communist Party, although there are suggestions that he may shed the premiership this year.

Chinese authorities, recognising the potent force of superstitious beliefs, particularly in the countryside, have launched a campaign to persuade the masses that a solar eclipse does not portend sinister events. Traditionally, the peasants have reacted to solar and lunar eclipses with some anguish in the belief that a supernatural creature was devouring the sun or the moon.

According to ancient Chinese belief a frenzied hanging of drums and gongs and the letting off of firecrackers was the only way to stop this celestial feast. Curiously, the early part of this year has been marked by a number of reports in the official media of instances of witchcraft and the practice of other superstitious beliefs.

According to a radio broadcast from Anhui province in central China, local authorities took action against "witches carrying out acts of feudal superstition, fortune tellers and swindlers who practice witch doctoring."

The Communist Party newspaper, People's Daily, recently ran a short commentary which lamented that "some of the masses still engage in superstitious practices by visiting fortune tellers and worshipping idols." To back its campaign, the People's Daily has run a series of "cautionary tales" about the evils of superstitious practice. It related the story of He Denggao, the Shandong man who, convinced that his house was haunted, built another only to decide the second house was also inhabited by evil spirits. The man had then bought some firecrackers to frighten away the spirits, but the crackers had exploded in his hands, killing him.

A tragedy had happened because "He Denggao did not believe science, but in god and ghosts," a correspondent to the paper commented.

Official disapproval of witchcraft and other superstitious practices has not prevented the official media making much of the fact that 1980 is the year of the monkey—the symbol of liveliness. Perhaps the authorities hope that some of China's more lethargic cadres will be enlivened by a reminder that 1980, apart from being the opening year in a "decade of great tasks," as the People's Daily constantly reminds us, is also a year symbolised by the extraordinary vigor of the monkey.

Not that the monkey is well represented in China's top leadership. None of the top six in the Politburo were born in a monkey year, nor were any of those on the verge of greatness. Zhao Ziyang, for example, was born in 1918, the year of the Horse.

The dominant symbol in the Chinese leadership is the cock. Chairman Hua Guofeng was born in a cock year (1921) as were Politburo members Geng Biao and Wu De (1909).

Senior Vice-Premier Deng Xiaoping was born under the auspicious dragon symbol as was Party Vice-Chairman and Mao loyalist Wang Dongxing, who is said to be on the way out this year—such are the ironies of the supernatural. It is perhaps worth recalling that the last two monkey years (1956 and 1968) were disappointing, if not disastrous ones for the People's Republic.

Of course 1956 was the year of the ill-fated "100 flower" campaign while 1968 was the year when the excesses of the Cultural Revolution were pulling the country apart. There may be something symbolic in the fact that Liu Shaoqi, the former head of state, who was purged in 1968 (monkey), is almost certain to be rehabilitated in 1980 (monkey).

An ill wind and rising fortunes

The ill wind whistling down through Asia to the Middle East is living up to its proverbial behavioural pattern and blowing some good where least it might be expected. The London property market is aflutter in the current political trubulence, and, as one of Britain's most experienced property dealers says, "The market is very fluid indeed. At the top end it is more bouyant than it has been for a long time."

Paul Hutchings, senior partner at Hampton and Son one of Britain's Big Three in residential property and a purveyor of "substantial" town and country houses for the last 37 years attributes the current real estate activity directly to the political situation in Afghanistan and Iran.

"People in the Middle East are looking around for a haven in the situation does worsen, and they see Britain as being politically very stable. Yes, I know there has been a lot of rubbish printed in some papers about the Arabs leaving Britain and buying houses in the United States or the South of France, but it isn't true—certainly not at the present time. To most of these people Britain now looks more politically desirable than the United States. Right now I have ten Middle East buyers all looking for properties in the £1m plus range, but because of all the recent activity I can't suit them, though I will, in the long run, of course," says Hutchings, who numbers among his personal coups the sale of Ravi Tikoo's £2½m home to King Khalid.

One of the reasons for the current famine in the million pound mansion market, according to Hutchings, is the strong competition Middle East buyers are encountering from other overseas buyers. "Though 90 per cent of our customers currently looking for substantial properties are from the Middle East, I also have a number of prospective buyers in that price range from Germany, Holland and Japan. The Dutch, in particular, are very keen buyers, especially of properties with a fair amount of land—they say they can't believe how cheap land is in the UK compared to Holland." Hutchings confirms that none of his current clients willing to the pay the magic million is British.

"The British buyers with that kind of money seem to be looking overseas now that the exchange controls have been lifted. Our office in Jersey is very active: we have been selling some very substantial properties in Jersey, though it is not as easy as it would seem. Before you can buy a house in Jersey you have to meet with their residential requirements, which stipulate you have to have a certain annual income. We have had the odd deal fall through because the buyers were not accepted as permanent residents by Jersey."

But evermore active, in terms of English buyers abroad, says Hutchings is Hampton's Paris office. "Our Paris office used to handle only commercial sales and lettings but with the increased interest in French properties we have expanded into apartments and into chateaux. There's a lot of interest in the smaller chateau right now."

A taxing task in Tokyo

This week end the people of Tokyo can enjoy a novel spectacle — a public auction. At the Hotel Okura Christie's of London is disposing of 850 lots of antiques, carefully chosen to appeal to Japanese tastes and conservatively valued at £3m. It is the first time that Christies has held a sale in Tokyo for a decade and it has taken two years to organise.

The auctioneer will be Sir John Figgess, head of the company's oriental department, and a long time diplomat in Japan. But even with his contacts the problems in arranging the sale have been formidable. For a start open antique auctions are illegal in Japan. The dealers have such a firm grip on buying and selling works of art that to hold an auction attended by private collectors Christie's has had to send the names of its invited guests, a thousand in all, to the police for approval. The general public will be admitted only as spectators.

In the past the dealers grip has reflected the mysteries of the Japanese temperament. The Japanese hate to lose face in public and bidding at auctions and failing to secure the desired lot would be an embarrasing experience. Then again buying antiques in the saleroom involves disclosing your wealth to the tax authorities which could mean losing more than face. Finally by tradition the Japanese defer to knowledge and it was assumed that the dealers possessed it. Private collectors were prepared to pay well over the odds for works of art that came with the dealers imprint.

However the subsequent disastrous fall in the value of the very items—Impresisonist paintings and Chinese ceramics—bought recklessly by the newly enriched Japanese in the early '70s has shaken the faith in dealers and now Japanese collectors, their eyes open to the international art market, are trusting their own judgment. The star attractions for them this weekend are likely to be a Chagall "Fiances on a green background" which could sell for £150,000; a Rouault, "Chorus Girl," estimated at around £60,000 and, among the Chinese items, a black glazed jar of the Northern Song, that is conservatively estimated at £50,000.

Contributors:
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Economic Diary

SUNDAY — Leaders of the two main steel unions meet British Steel Corporation on invitation from BSC. Milk price rise to 16½p a pint. National Savings figures (January).

MONDAY — BL union district committee meets to discuss possible strike action at Longbridge. Austin and Pickersgill shipyard begins three-day week. House of Commons second reading, Broadcasting Bill. Rolls-Royce launches mobile recruitment unit and issues statement on plans for 1980. Mr. Reubin Askew, U.S. international trade negotiator, meeting European Community officials, Brussels. Canadian General Election. EEC Agriculture Council two-day meeting opens.

TUESDAY — Commons debates second reading, Reserve Forces Bill. EEC Foreign Ministers meet on political co-operation, Rome. President Daniel arap Moi of Kenya in talks with President Carter, Washington. Preliminary estimate of gross domestic product based on output data (fourth quarter). EEC Energy Council meets. Public inquiry into Atomic Energy Authority application to test drilling in Galloway Hills, Town Hall, Ayr. Labour Party delegation leaves to observe Rhodesian elections. Anglo-Israeli trade seminar, New Century Hall, Manchester.

WEDNESDAY — Mr. Cyrus Vance, U.S. Secretary of State, meets Foreign Ministers of Germany, France, Britain and Italy in Bonn on Soviet intervention in Afghanistan. U.S. deadline on Soviet Union troops in Afghanistan and the boycott of Moscow games. Transport and General Workers Union and National Union of Public Employees ballot result on water strike. Average earnings (December). Basic rates of wages (January). New construction orders (December). First Division Civil Servants give views on industrial action.

THURSDAY — Mr. Reubin Askew in London talks with Mr. John Nott, British Trade Minister. Organisation of Petroleum Exporting Countries (OPEC) begin two-day meeting in London to talk on long-term planning. Commons debates Airports Policy. Fourth quarter figures for public sector borrowing requirement and details of local authority borrowing; capital expenditure by the manufacturing, distributive and service industries; and manufacturers' and distributors' stocks.

FRIDAY — Print unions meet employers on pay offer. New vehicle registrations (January). Sales and orders in engineering industries (November). Turnover of motor trades (fourth quarter).

Alcan (UK) profit falls by £4.8m—dividend cut

A SECOND HALF cootribution more than halved from £5.6m to £2.5m has left taxabla profits of Alcan Aluminium (UK), Canadian controlled aluminium products concern, well down at £6.1m for 1979, compared with £10.9m—a peak of £24.3m was achieved in 1977.

And the final dlvidend is halved to 3.3p making the net total 6.6p (9.9p) per share.

Last August the directors reported a £1.5m fall in interim profits to £3.6m and said that expectations of lower levels of industrial activity in the UK over the rest of the year, combined with rising coats, made it difficult to forecast the future.

Mr. Dennis Pinn, chairman, warns of the effects of inflation and strong sterling on results, but says that against this must be set the world supply-demand for aluminium, which while slackening during 1980, "is likaly to become tight again in 1981 and succeeding years, and underpin market prices for aluminium throughout the world."

The company's results showed an improvement in the latter part of 1979, despite the effects of the engineering strike, "and this gives a balance of some optimism to an otherwise unattractive ecooomic environment," he states.

	1979 £m	1978 £m
Sales	307.3	269.7
Added value	87.7	80.1
Profits before tax	5.1	10.9
Attributable	5.0	8.0

The chairman says the profit difference for the year was due mainly to higher interest, and the company was affected by the severe weather conditions in the early part of the year as well as the engineering strike, in Octoher.

"In addition, soma of our major operating companiea suffered loss of production due to a combination of production and industrial relations problems," he says.

The strength of sterling reduced export sales realisations and held down domestic prices because of increased competition from imports, Mr. Pinn explains. An increase in the price of aluminium in November came too late to contribute significantly to 1979 results, he adds.

Earnings per £1 share are shown to be down from 16.1p to 11.2p. Fuods generated from operations totalled £15.4m, compared with £18.8m, and the average capital employed waa £200.4m (£186.1m) during the year, giving a pre-tax return, before interest, of 8.4 (9.5) per cent.

See Lex

Advance for Arden Hotels

TAXABLE PROFITS of Arden and Cobden Hotels improved from £187,294 to £206,681 in the year to December 29, 1979.

At the halfway stage, when pre-tax profits of £117,000 (£112,800) were reported, the directora ooted a general decline in husinass due to a reduction in the number of overseas tourists. Despita the effect of higher VAT on prices, they hoped then that demand for accommodation and meals would improve in the last mooths of the year.

Turnover advanced from £0.98m to £1.09m in the year. The dividend is stepped up from 3.46p to 4.75p.

After tax of £91,000 (£101,000), stated earnings per 50p share are 18.1p (13.5p).

Profits include a £4,154 surplus on sala of land.

Setback at Celtic Haven

HEAVY FIRST-HALF losses in engineering and off-shore oil industry supplies are reported by Celtic Haven, marine engineer and steel fabricator.

The pre-tax deficit deepened from £3,231 to £159,715 in the six months to September 30, 1979, on turnover more than halved at £389,930 against £885,378. Total profits last year were £44,000.

Over two-thirds of the loss was incurred at Barn Lake engineering, say tha directors, and a further but much reduced loss is expected in the second half.

Similarly, reduced second-half losses are expected at Celtic Sea Snpply Base, where the midway deficit was £34,000.

Littla Haven Farms, which produced a small loss, are being sold, and the directors anticipate that the resulting surplus on realisation will more than offset the group'a trading loss.

But they warn that concerted efforts to diversify the group's activities by acquisition have not yet yielded results.

There is a tax credit this time of £80,000 (nil).

Wedgwood profit down to £4.56m at nine months

LOWER third-quarter profits of £1.95m, against £2.47m, left the pre-tax surplus of Wedgwood down from £6.28m to £4.56m in the 39 weeks to December 29, 1979. This was struck after sharply higher intarest of £1.57m, compared with £0.66m.

Sales improved from £63.04m to £69.78m.

The directors expect fourth-quarter results to be somewhat, but not drastically, worse than last year, when profits were £2.26m. The pre-tax surplus totalled £8.55m for 1978-79.

Sir Arthur Bryan, chairman, says that, in the light of current conditions in the UK, the group's expansion plans have been put in cold storage.

He adds that some redundancies have been necessary and several factoriea are working short time.

A total of £10m of the group's short-term borrowings have beeo converted to medium-term loans with variable interest rates.

The chairman says that, with a number of factors making exporting increasingly more difficult and less attractive, the group is hound to concentrate more than usual on developing the bome market.

However, the group will make every effort to preserve its position in the important overseas markets. The directors are encouraged hy the fact that demand for the group's products in most major markets remains good and, at realistic ratea of exchange, would be very strong.

Negotiations for the acquisition of Enoch Wedgwood (Tunstall) have proved more difficult than expected, the chairman says, and its results are not included in the figures. The directors hope to conclude the purchase in the near future.

The underlying strength of the group remains solid, the chairman adds.

Tax for the 39 weeks took £1.17m, against £1.53m. Stated earnings per 25p share are down from 12.8p to 9.1p.

Group fixed assets amounted to £31.43m at December 29, 1979, compared with £27.4m at March 31, 1979. Net current assets were up from £18.94m to £29.39m, including hank loans and overdrafts of £9.2m (£13.04m). Loans and provisions totalled £16.57m (£3.97m).

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Adams & Gibbon	4	April 24	2.88	5.75	4.63
Alcan Alum.	3.3	—	6.6	6.6	9.9
Arden & Cobden Hotels	4.75	—	3.46	4.75	3.46
Dewhurst Dent	0.3	May 12	0.6	0.3	0.6
Glasgow Stockholders	2.2	Mar. 22	1.85	3.89¶	2.85
Haynes Publishing int.	2	Feb. 29	—	—	—
Helical Bar int.	1	Mar. 21	nil	§	1
Scottish United Invest.	1.45	Mar. 28	0.98*	2.15	1.5*
Wagon Finanea	1.69	April 3	1.68	2.31	2.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for acrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including 0.4413p Shell dividend. § Not less than 1p final forecast. ¶ Includes special interim of 0.4413p.

Wagon Finance slides £659,000

AFTER INTEREST costs sharply up from £3.07m to £5.66m pre-tax profit of the Wagon Finance Corporation for 1979 fell £659,000 to £2,054,000.

Mid year, when reporting a downturn from £1,307,465 to £898,802, the company said that the decline in profit was more than accounted for by the increase in money costs. Although part of this rise was due to higher borrowings, the major portion was caused hy the higher interest rates.

With tax taking £1,109,000 (£1,440,000) stated earnings per 25p share were down at 4.05p, against 5.47p. A 1.6875p net final leaves the total little changed at 2.3125p (2.303125p).

Turnover of the group, which is principally engaged in banking and the provision of instalment credit, was ahead from £10.92m to £13.82m.

● comment

High interest rates continue to impede progress at Wagon Finance. A second-half increase of 31 per cent in gross income has been more than swallowed up by the interest charge, leaving the pre-tax figure down by almost 18 per cent. Wagon has not been alone is misjudging the interest rate trend but it will continue to pay for the mistake even if MLR falls in tha spring, since it has been re-financing itself over the medium term at current rates. The consolation is that new business is expanding fast and, with an averaga 15-month hook turnover, the return on it will probably be looking very advantageous by early next year. Gross instalment credit balances are up hy 21.2 per cent over the full year and the group must be hoping that frightening interest rates added to a downturn in car sales (the mainstay of the business) do not reduce credit damand. The stated p/e of 8.3, on a share price of 35½p, seems to anticipate both widening margins and a buoyant level of new credit agreements, which is a reasonable expectation over the medium term. In the meantime, the yield is a respectable 9.7 per cent—despite a slight cut in the gross payment.

ASSOCIATES DEAL

Hill Samuel Investment Management as associates of Racal, have sold 1,500 GEC on behalf of a discretionary investment client.

BMK incurs £0.48m loss: sees substantial deficit over year

LOWER OUTPUT and iocreased costs resulted in Blackwood Morton and Sons (Holdings), carpet manufacturer, incurring a pre-tax loss of £479,337 for the six months to December 31, 1979. This compares with a taxable profit of £227,116 last time.

The directors says that both in the UK and overseas an upturn in demand seems unlikely and they expect a substantial loss for the year. Last time, there was a pre-tax profit of £327,000.

They add that, in September, it was hoped that following the reductioos in income tax the home trade demand for the group's products would improve from October.

In fact, this heoefit was largely offset hy the locreased cost of living with the result that home sales were disappointiog and the strength of the pound has continued to make exporting difficult.

The combination of excess capacity in the industry competition from imports and high interest rates caused many UK manufacturers to sell at uneconomic prices when demand was low. The group maintained its prices but sales suffered—turnover for the six months was down from £13m to £10.92m.

In view of the substantial loss expected for the year, some reorganisation of the group's activities is taking place, the directors say.

Reductions have already been made in the administrative staff and the directors have decided that it is essential to concentrate all pile yarn spinning and Wilton production in Kilmarnock.

As a result, the group's spinning and Wilton weaving mills in Liversedge, Yorkshire, where some 300 people are employed, will be closed as soon as possible. The costs of this closure will he considerable, they add, and most of this will fall in the current year.

The stock warehouses in London, Cardiff and Belfast have already been closed. In the case of London and Cardiff, the leases are being sold, and in Belfast, the lease expires in August.

When the transfer of production to Kilmarnock has heen completad there will he considerable savings in transport and administration costs, and a return to profitability after that can be anticipated, the directors conclude.

There was a deferred tax credit of £46,000 for the half-year, compared with a £102,000 charge last time. After an extraordinary debit of £112,006 (£174,200 credit), there was a loss of £545,343 (£299,316 profit). Losses per 25p share are given as 5.4p (1.6p earnings).

● comment

Blackwood Morton could end up wiping around £1½m off its net worth this year. But by the time it has retreated behind the barricades of Kilmarnock it should be able to trade in the black, even in today's depressed market. Like most of the carpet industry BMK has suffered from the pressures of falling exports, increasing import penetration, dull domestic demand and cost pressures culminating in inteose competition. The closure of the Yorkshire activities — perhaps reduction in capacity of 15 per cent — follows redundancies in Kilmarnock, the closure of three warehouses and, last year, the ceasing of operations in Canada and Australia. In Yorkshire half the plant is for spinning and that could well prove more saleable than the weaving mills which could prove very hard to find buyers for. Overall demand prospects are unexciting and tufteds (30 per cent of BMK's carpet turnover) are a particularly tough market. However, following the Yorkshire shutdown Kilmarnock will be back on full time and BMK could trade profitably hy 1980-81. That may look a long time off to a share price which slid a further 5p to 20p yesterday, with little hope of even a nominal dividend this year. By June net debt will he little changed at around £3¼m and shareholders' funds may be down to £8¾m. The market capitalisation is only £1.6m but carpet manufacturing assets are unlikely to stir-up predators. The shares are not going to make much of a showing in the foreseeable future.

Haynes Publishing ahead at interim stage and pays 2p

PRE-TAX profits of Haynes Publishing Group, car and motorcycle diy manuals concern, increased from £326,000 to £397,000 for the 26 weeka ended November 30, 1979, on turnover of £2.38m against £1.87m.

In the UK the effect of price increases, introduced last November, combined with the traditional upsurge in sales in the spring period, should result in a further advance in the second half, directors state.

At the time of the offer for sale last November, directors forecast turnover and profits, for the 1979-80 year, of between £5.1m and £5.45m and £870,000 and £1.1m respectively—profit for 1978-79 was £797,000.

An interim dividend of 2p per 20p share is announced, as forecast—on the basis of full-year profits of around £1m the directors have anticipated a 6p total.

After a low first-half tax charge of £69,000 compared with £168,000, minority interests last time of £13,000, and an extraordinary debit of £22,000 (nil), the attributable balance came through more than doubled at £306,000 (£145,000).

Earnings per share are well up at 5.87p (2.9p).

The stock levels of finished books have been iocreased significantly during the six montha and provision has been made for tha appropriate amount of stock relief, which has reduced the tax charge.

In the U.S. the research, origination and editorial facility is now firmly established and functioning satisfactorily, but due to necessarily long lead times the effect of the U.S. contribution to sales will not be felt until after the company's year end on May 31, 1980.

Comparative figures for 1978 include the results of J. H. Haynes (Investments) Inc. although that company was not part of the group

	6 months 1979 £000	1978 £000
Sales	2,383	1,865
UK and exports	1,826	1,466
N. America	557	399
Trading profit	387	336
UK and exports	321	303
N. America	66	33
Interest received	14	1
Interest charges	4	11
Profit before tax	397	326
Tax	69	168
UK	37	156
N. America	32	12
Net profit	328	158
Minority interests	—	13
Extraord. debit	22	—
Attributable	306	145

● comment

With the important spring quarter still to come, it is still too early to make any accurate predictions about Haynes' first full year as a public company. Much depends on the weather. Clearly, Haynes is hanking on a mild three months to encourage sales of vehicle maintenance and repair manuals although, with garage costs continually rising, the attractions for own servicing and repair is unlikely to diminish. At the time of flotation, the company preferred not to he too specific about the outcome, saying profits would be between £0.87m and £1.1m. The best estimata at thia stage—based on the usual second-half bias—is that profits will top £1m. At that level the shares, at 156p, sell on a prospective fully taxed p/e of 16 whila the yield is 5.6 per cent on the forecast payout.

Adams & Gibbon up to £0.8m

ON turnover up by £3.31m to £25.87m taxable profits of Adams and Gibbon, Vauxhall-Bedford motor vehicle distributor, increased in a record £782,000 for the year ended November 30, 1979, compared with £558,000.

At the interim stage directors reported profits ahead from £235,000 to £349,000 and said if the high interest rates continued it would make vehicle stocking in the second half and over the winter period very costly.

They added, however, that much improved profitability had given the group a sound base for the rest of 1978/79.

They now say that prospects for the current year must be assessed in the light of the high interest rates, although there will be a much improved availability from Vauxhall hosted by the introductioo of a new model.

The directors are still aiming to improve the performance and profitability of certain parts of the group, which should produce better results in the longer term. However, 1979/80 looks certain to he a difficult period in which to achieve any material advance in profitability, they state.

The dividend has been lifted to 5.75p (4.625p) net per 25p share with a final payment of 4p.

Tax charge for the year on a SSAP 15 basis took £232,000 (£71,000 credit) and the amount retained was £442,000 against £541,000.

As a result of the accounting change £982,000 has been released from deferred tax provision of which £618,000 relates to period prior to 1978.

JARDINE LOAN STOCK PLACED

Cazenove and Company placed HK$75m (£6.72m) of Jardine Matheson 7½ per cent convertible loan stock 1990 with institutions in London. This forms part of the $500m stock issued by Jardine in 1975.

Cazenove said yesterday that it was a normal placing and involved some 50 institutions. The stock was quoted at $92 in Hong Kong yesterday.

Helical Bar shows further recovery with £0.14m

The recovery seen at Helical Bar last year has continued with a more than doubling of taxabla profit from £64,000 to £144,000 for the six months to October 27, 1979.

There is also a return to interim dividends with a 1p net payment and a forecast of at least the same as a final for the nine months to February 2, 1980. Tha final last time was 1p for 12 months.

Output and profitability throughout the group has been maintained in the final three months of the financial period the directors state.

They add that though it is difficult to make any prediction at this stage about the effects of the steel strike the company has adequate stocks to enable normal production to be maintainad for some weeks and has a healthy order book.

Sales by the designer, supplier and fabricator of steel reinforcement and steel stockholder reached £5.18m (£3.69m) for tha first six months.

At the operating level profit jumped from £55,500 to £130,000 as a result of higher volume sales of steel products in the UK and greatly improved performance by Cooper Re-Bar, now a fully ownad subsidiary.

Tax took £76,000 (£27,000) leaving stated earnings per 25p share 1p up at 2.3p.

For 1978-79 profit was turned round from £35,000 to £138,000 after four years of decline from a peak of £0.47m in 1973-74.

Crossfriars investment policy

Crossfriars Trust, an authorised investment trust, is planning to increase its exposure to unquoted companies. An EGM will be held to obtain shareholders' approval on March 5.

Announcing this move yesterday the directors said the primary aim of the trust should be investing in the securities of unliated companies. They added, however, that this category would not in future exceed 50 per cent of the trust's assets, with tha balance invested in a general portfolio of UK quoted companies.

Crossfriars has had a leaning towards smaller companies ever since it was floated in 1972. One conspicuously successful example of this policy was its holding in the Cartiers supermarket group, which netted Crossfriars a £1m profit when it was sold last July.

Scottish United Inv. increase

AN INCREASE in net revenue from £1.72m to £2.48m is reported by Scottish United Investors for the year to December 31, 1979, and a final of 1.45p lifts the dividend to 2.15p net compared with an equivalent 1.5p.

Available net assets at the balanca data amounted to £87.25m (£86.67m), equivalent to 79p (78p) per 25p share.

Dewhurst Dent halves dividend

TAXABLE profits of Dewhurst Dent improved from £490,000 to £533,000 in the year to July 19, 1979, but the single dividend is halved at 0.3p. As expected, the second half was depressed hy January's industrial problems, which increased expenses and eroded margins, together with the seasonal nature of some subsidiaries' trading, and only £11,777 was added in the final six months.

Turnover advanced from £19.34m to £21.96m in the year. After a tax credit of £18,659 (£302,869 charge), extraordinary debits of £14,780 (£73,865) and minorities, the attributable surplus emerges at £516,043 (£96,991). Stated earnings per 20p share are increased from 1.71p to 5.27p.

Results due next week

Lloyds Bank, the smallest of the four major clearing banks, reveals its preliminary figures next Friday. After an impressive half-way rise in pre-tax earnings, the expectation is that the group will achieve as much as £260m pre-tax for the full year, against £182m. The obvious impetus behind the increase has been the base rate. Good loan volumes have further contributed to a healthy performance. The dividend, which was 15.2p gross last year, could he increased to around 20p gross.

Preliminary resulta are expected from two major textile companies — Nottingham Manufacturing on Monday and Carrington Viyella on Wednesday. At the moment the sector doea not have much going for it, with home salea under heavy pressure from cheap imports and exports hit by unfavourable currency movements. In the case of Nottingham Manufacturing, where there is a seasonal bias in favour of the second half, the problema are not so acute because of the company's large gilt portfolio. Because of this, analysts are forecasting profits of at least last year's £15.4m pre-tax, although the trading picture with carpets and hosiery/knitwear will not look particularly inspiring. With Carrington Viyella, much depends on what accounting policies are used in relation to the reorganisation costs, the losses by the tufted carpet activities and the deficit in Italy. If these are taken above the line, the profits outcome could be in the region of £8.5m, compared with £14.5m last time. This downturn inevitably throws a question mark over the final dividend.

The contracting and civil engineering industry has not been sparkling of late and Marchwiel appears unlikely to buck this trend when preliminary figures are revealed this Monday. The board has already indicated that it expects a pre-tax surplus of some £11m, against last year'a £13.5m. The had weather earlier in the year sliced into first half earnings and although the second half picked up slightly, the recovery was probably not sufficient to bring the group back to last year's earnings level.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Abbey Panels Investments	Monday	1.3	1.39	1.3
Al Industrial Products	Thursday	1.65	2.8875	0.85
Alliance Trust	Friday	2.5	5.5	3.65†
Anglia Television Group	Wednesday	1.392	1.75253	1.572
Anglo International Inv. Trust	Thursday	1.0	2.6	1.5
Bath & Portland Group	Thursday	1.6	2.014	1.6
Bamrose Corporation	Wednesday	2.1663‡	2.1373	2.233
Carrington Viyella	Wednesday	0.66983	1.86117	0.7
City Offices	Tuesday	0.86	1.981	1.3
Drake & Scull Holdings	Tuesday	1.0	1.0	1.25
First Scottish American Trust	Tuesday	1.0	2.15	1.2
Foreign & Colonial Inv. Trust	Wednesday	0.625	1.6375	1.0
Gillett Bros. Discount	Wednesday	5.7	10.251	7.0
Jones (Ernest) Jewellers	Tuesday	—	3.5	2.5
Lloyds Bank	Friday	4.635	5.5137	6.25
Marchwiel	Monday	2.0	3.0	2.4
Meldrum Inv. Trust	Tuesday	0.75	1.35	1.0
Mercantile Investment Trust	Tuesday	0.35	1.35	0.72‖
Newbold & Burton Holdings	Thursday	0.95547	1.52667	1.4
Norfolk Capital Group	Tuesday	0.3	0.6	0.5
Norfolk Capital Group	Tuesday	0.3	0.6	0.5
Nottingham Manufacturing	Monday	0.75	1.86674	1.0
Olives Paper Mill	Tuesday	0.6	0.74475	0.73
St. Andrew Trust	Thursday	2.0	2.9	2.25
Scottish Eastern Inv. Trust	Monday	1.0	1.4	1.5§
Temple Bar Inv. Trust	Monday	1.5	4.0	2.25
Thermal Syndicate	Tuesday	2.0	4.0	3.0
United States Debenture Corpn.	Wednesday	1.15	2.8	2.8a
Updown Investment	Wednesday	—	1.3	—
West Coast & Texas Regional Inv. Tst.	Tuesday	—	1.1	—
INTERIM DIVIDENDS				
Australian & International Trust	Wednesday	1.0	2.35	
Gripperrods Holdings	Thursday	1.21605	3.9795	
Jentique Holdings	Monday	1.02995	1.45	
Malaysia Rubber	Monday	0.75	2.9	
Pullman (R. & J.)	Thursday	0.91818	2.25	
Tor Investment Trust	Thursday	2.345	4.375	
United Real Property Trust	Wednesday	1.25	4.75	
Westminster & County Properties	Tuesday	0.5	1.0	
INTERIM FIGURES				
Ewart New Northern	Friday			
Sizewell European Inv. Trust	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes non-recurring dividend of 0.55p. ‡ Includes compensating dividend of 0.029p due to change in tax rate. ¶ Combined total of second interim and final. ‖ Includes non-recurring dividend of 0.22p. § Includes non-recurring dividend of 0.35p. a Includes non-recurring dividend of 0.8p. b Includes non-recurring dividend of 0.56p.

BIDS AND DEALS

Bejam buying Fine Fare freezer centres

Bejam, the frozen food and domestic deep freezer group, is further expanding its frozen food operations with the purchase of Fine Fare's entire discount freezer food centre operation.

Fine Fare, the supermarket and superstore subsidiary of Associated British Foods, is selling its 16 centres to Bejam for a total cash price of £2.9m. This brings Bejam's total of food centres up to 167.

Mr. John Allen, Fine Fare's marketing director, said yesterday that the food centres were reasonably profitabla but tha company felt there were better investment opportunities in its Shoppers Paradise limited-ranga discount food operation. He said it was thought better to tidy up and dispose of the freezer centres.

In addition to building up the group'a discount food store side, Fine Fare is engaged in a major superstore expansion programme. The group has 33 superstores trading at the moment, a further six are due to be opened this year and there are many others being built or planned.

Fine Fare, which has 480 supermarkets, claims to have some 5 per cent of the food market.

COOPER SELLS BROCKHOUSE STAKE

Cooper Industries, the steel and engineering group, has disposed of its entire holding of 1m shares in Brockhouse, the engineering concern.

Mr. J. C. Cooper, the chairman, explained yesterday that the sale of the holding—which represented 5.84 per cent of the Brockhouse capital—followed a change in the policy instigated by the former chairman. The opportunity was taken to sell the shares in a "cheerful market."

Fredk. Burgess stake in H. Norrington

Frederick H. Burgess, the unquoted agricultural engineer, now has a potential control of up to 24 per cent of Henry Norrington and Sons, agricultural engineer and merchant.

Burgess, which held 135,000 ordinary shares of Norrington prior to the suspension of Norrington's listing on February 4 ahead of an announcement, acquired a further 207,026 Norrington ordinary, at 21p ex dividend, three days later. It also acquired an option to purchase a further 577,053 Norrington ordinary at 21p ex dividend.

Norrington's shares were suspended at 16p, which capitalised the group at £609,120.

Gulliver steps up stake in Alpine Holdings

James Gulliver Associates, the private investment company headed by Mr. James Gulliver, has increased its stake in Alpine Holdings, the double-glazing and windows group, to 9.3 per cent.

JGA has exercised an option and hought nearly 1.5m shares (13.5 per cent of the capital) from Mr. A. J. Dyer, Mr. H. H. Singer, and Mr. M. Stoller, directors of Alpine.

Alpine's brokers have placed with institutional and other investors 1.22m shares representing 81.4 per cent of the block received by JGA. Total proceeds of the placing amount to £1.48m which is approximately tha cost of exercising the options.

Some 275,000 shares have been retained hy JGA, so the group has not received a net cash amount as a result of the exercise of the options.

Following the transaction the JGA interest in the capital of Alpine has increased to 1.03m ordinary shares, representing 9.3 per cent. JGA intends to retain this interest as a long term investment.

PICKERING DEAL WITH DIRECTOR

Pickering Group has sold its subsidiary, Stalwart Dyeing Company of Clitheroe, Lancashire, as a going concern to its managing director, Mr. Trevor Balmforth, for an undisclosed price.

At the same time, Pickering has created a separate subsidiary company, Stalwart Pickering, which will continue to hold the patents, manufacture and market the Stalwart continuous printing and dyeing machinery for the Pickering Group.

HOWARD DORIS

Howard Doris has entered into a preliminary agreement which it is intended will lead to an acquisition of majority interests in Scunthorpe-based Weldit.

...Weldit has substantial steel rolling facilities and has been active in supplying steel requirements for offshore structures for North Sea gas and oil. Howard Doris is constructing the steel integrated deck for the Maureen Field for Phillips Petroleum.

GLUE DISTRIBUTOR ACQUIRED BY SWEDISH CONCERN

Extraco, a subsidiary of the Swedish Kemanobel Company, has acquired Alfred Adams and Company, glue distributors.

Extraco operates within three areas—meat; foodstuffs and technical industries. Alfred Adams has annual sales of SKr 30m (£3.13m), while Extraco sales amount to SKr 250m (£26m).

Alfred Adams has been Extraco's main distributors of glue on the British market for many years.

This is tha second acquisition of a British company recently—Oppenheimer Casing Company operates in the meat industry and has sales of SKr 60m.

CERAMIC INCREASES ARMITAGE STAKE

The Lebanese-controlled Ceramic Investments BV purchased 535,000 Armitage Shanks shares on February 14 at 107p. Ceramic now owns 5,802,500 (27.94 per cent) of the equity.

IC GAS/COMPAIR

Grieveson Grant and Co., as an associate of Imperial Continental Gas, has bought 600,000 Compair shares at 103p, on behalf of the company.

Morgan Grenfell and Co., as an associate of Compair has purchased, on behalf of discretionary clients, 100,000 shares at 104p.

CRODA PURCHASE

Croda International has agreed to buy Colne Vale Dye and Chemical Company, dyestuffs manufacturer in Huddersfield.

The net assets to be acquired represent less than 5 per cent of Croda's assets.

Stock Exchange probes Furness share dealings

A PRELIMINARY investigation has been started by the Stock Exchange quotations committee into Furness Withy share dealings, which were made ahead of the £96.5m bid announcement by C. Y. Tung of Hong Kong.

The announcement, on Wednesday, had been prompted by the dramatic rise in Furness Withy's share price ahead of the offer. Until the announcement, Furness shares had risen by 84p during the week to 332p.

After climbing to 380p in Thursday's trading, shares of the group showed a small fall of 3p to 377p in yesterday's dealings.

Meanwhile there has been speculation and rumour surrounding dealings in Furness shares, as the stock market tried to anticipate whether an alternative bid was coming from another quarter. Inchcape was a name mentioned but the group said that it was not its policy to comment on market rumours, adding that it was not a shipping company.

Peninsula and Oriental Steam Navigation, another name mentioned as a possible suitor, said, "no comment." It added that "there are many rumours around at the momant in connection with Forness."

SHARE STAKES

Property Security Investment Trust—Following the disposal of 324,666 shares on February 8, Harper Investments is now interested in 3.9m (17.06 per cent).

J. and H. B. Jackson—Chartered Investments has purchased a further 165,000 shares, and now owns 2m (8.29 per cent).

G.T. Japan Investment Trust—Berry Trust has disposed of its holding of 350,000 shares.

J. E. England and Sons (Wellington)—Walter Duncan and Goodricke has purchased a further 50,000 Ordinary shares making total 655,000 (13.10 per cent).

Associated Sprayers—R. W. D. Beney has exercised his first option and has bought from H. E. Newton-Mason 100,000 shares.

AGB Research—G. B. Audley and D. A. Brown have each increased their holdings by 10,000 shares making 665,169 and 522,670 respectively.

E. Fogarty—A. S. Jolliffe, director, has sold 10,000 deferred Ordinary shares.

Hill Samuel Group—D. C. Mootham sold 9,571 shares on February 12 and acquired 10,000 shares on February 14. Total holding 10,000 shares.

Anglo Indonesian Corporation—Camellia Investments and its subsidiary disposed of 10,000 shares leaving holding 250,000 (5.46 per cent).

SPAIN

February 15	Price %	+ or −
Banco Bilbao	219	+4
Banco Central	246	+4
Banco Exterior	214	+3
Banco Hispano	219	+3
Banco Ind. Cat.	136	[illegible]
Banco Madrid	167	[illegible]
Banco Santander	261	+6
Banco Urquijo	180	[illegible]
Banco Vizcaya	221	[illegible]
Banco Zaragoza	202	[illegible]
Dragados	100	[illegible]
Espanola Zinc	82	[illegible]
Fecsa	58.5	[illegible]
Gal. Preciados	35	[illegible]
Hidrola	62.2	[illegible]
Iberduero	60	[illegible]
Petroleos	114.2	[illegible]
Petrolibar	92	[illegible]
Sogefisa	119	[illegible]
Telefonica	64.7	+0.5
Union Elect.	62.5	−0.2

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

In an extremely active week in the Bids and Deals sector, the battle for **Decca** was resolvad when **Racal** won control with an offer worth just over £100m. Opponents GEC conceded defeat when, after several days of secret negotiations with Decca's major shareholders, Racal announced an increased share exchange offer of three of its own shares for every Decca voting share, and fiva for every two non-voting; there is a cash alternative of 600p per voting share and 500p for the non-voting. Racal's increased bid drew irrevocable acceptances from the remaining directors of Decca and a number of UK institutional shareholders. This brought acceptances up from 17.2 per cent when the first Racal bid was announced to 38.1 per cent of the Decca voting capital. Racal bought just under 6 per cent of the voting shares in the market on Thursday, increasing its ownership to 12.3 per cent, which resulted in control of 50.4 per cent of the votes.

C. Y. Tung of Hong Kong made a 360p per share cash offer for **Furness Withy**, the ailing British shipping group, valuing the latter at £96.5m. Tung first started buying shares in Furness three months ago and has since built up a 5.31 per cent stake. On Thursday, European Ferries sold its 4.99 per cent holding in Furness, but it is understood that the shares did not go to C. Y. Tung. Another significant British buyer has shown interest. The Furness share price, some 20p above the Tung offer, signals a spirited defence to the offer or an increased bid.

Imperial Continental Gas Association made an agreed £58m bid for CompAir, Britain's leading compressed air group. The terms are 55p cash plus 50p of new convertible loan stock for each ordinary share in CompAir.

S. Hoffnung received a cash offer of 80p per share, worth £15.9m from **Burns Philp** of Australia. Hoffnung called on shareholders to take no action as it considered the offer unacceptable and the shares went well above the offer price. UK institutions control the bulk of Hoffnung.

Throgmorton Trust agreed to pay almost £4m cash for all the investment holdings of Capital for Industry, a subsidiary of *Grindlays Bank*. The move gives Throgmorton majority shareholdings in five companies, including a 70.04 per cent stake in **Cray Electronics**. The proportion of the consideration attributable to Cray is £2.16m, or 31p per share which, under City Code rules, means Throgmorton will now be obliged to make a 31p cash offer to other Cray shareholders.

Restro Investments, a private company based in Jersey, is making a £470,000 cash offer for the loss-making ladies' fashion concern **Polly Peck**. The offer amounts to 9p per share. Restro is indiractly owned by Mr. Asil Nadir, the chairman and managing director of Wearwell, the clothing group. Restro intends to continue and develop the business of Polly Peck and to maintain the company's listing.

Europcar, the **Renault** car rental subsidiary, is interested in buying the rental and chauffeur-driven car hire business of Godfrey Davis, the largest car hire operator in the UK. Dealings in Godfrey Davis' shares were suspended on Monday at 148p.

City and International Trust announced that discussions are in progress with an unnamed party that could lead to an offer for the company.

Dealings in the shares of **Norwest Holst** were suspended on Wednesday at 118p, presumably ahead of the long-awaited bid for the outstanding 42 per cent minority from directors Raymond Slater and John Lilley.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Armitage Shanks	106	102	55	33.60	Blue Circle	21/2
Bowring (C. T.)	164	133	141	179.3	Marsh and McLennan	—
CompAir	105	103½	95½	58.09	I.C. Gas	—
Cray Elect.	31*§	35	35††	0.93	Throgmorton Trust	—
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	—
Decca	550*	595	550	39.75	GEC	—
Decca 'A'	450*	490	425	52.12	GEC	—
Decca	621	595	355	44.88	Racal Electronics	—
Decca 'A'	518	490	320	59.99	Racal Electronics	—
Dolol Tea	270*	280	215	0.29	Tategold	—
EMI¶¶	147	123	95	163.41	Thorn Elect.	—
Empire Plants.	24*	24	19½	0.80	Caparo Invs.	29/2
FPA Const.¶¶	16½	15	18	1.31	Heywood Williams	—
Furness Withy	360*	377	332	96.49	C. Y. Tung	—
Hoffnung (S.)	80*	86½	74½	14.10	Burns Philp	—
Nationwide Leisure	6*§	5½	9	0.66	Rantlodge	—
Polly Peck	9*	16	7½	0.47	Restro Inv.	—
Royco	50*	48	41	5.00	Bonnerpark	7/3
Wardle (B.)	33*§	33	28½	4.15	Birmid & Mid. Counties Tst.	—
West of England Trust	92	100	76††	14.4	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 15/2/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Scrip Issues

African Lakes Corporation: One for five.
Ladies Pride Outerwear: One for five.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
African Lakes	July	1,320	(1,240)	61.3	(76.1)	4.4	(3.67)
Assam Tea	June†	216	(—)	—	(—)	5.0	(—)
Birmid Qualcast	Dec.	3,105	(4,767)	8.1	(6.0)	4.0	(4.98)
Christian Salvesen	Sept	12,138	(9,514)	—	(—)	—	(—)
Coronet Ind. Secs.	Sept.	580	(516)	43.6	(28.5)	3.0	(0.4)
Crscnt. Japan Inv.	Dec.	246	(139)	3.8	(2.2)	2.5	(1.3)
Crest Nicholson	Oct.	4,326	(2,806)	16.7	(10.5)	4.09	(3.72)
Ford (Martin)	Dec.	1,330	(1,320)	4.1	(3.9)	2.6	(2.24)
Howard Machnry.	Oct.	1,230	(2,280)	3.1	(2.9)	1.17	(1.12)
Imperial Group	Oct.	136,652	(131,084)	19.2	(18.5)	7.25	(6.32)
Ladies Pride	Nov.	1,130	(1,010)	8.9	(7.1)	3.4	(1.8)
Macpherson (D.)	Oct.	4,840	(4,080)	21.4	(22.5)	4.2	(2.94)
Mnchstr. Ship Cnl.	Dec.	1,780	(1,990)	43.7	(49.2)	18.38	(17.87)
Securicor	Sept.	6,930	(5,420)	13.6	(8.8)	1.47	(1.27)
Whittingham (W.)	Oct.	2,209	(1,252)	28.8	(18.2)	6.0	(2.01)
Willoughbys Cons.	Sept.	248	(513)	3.4	(19.6)	—	(—)
Witter (Thomas)	Nov.	1,630	(1,870)	9.5	(9.7)	4.03	(3.51)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Ariel Inds.	Sept.	420	(329)	1.08	(0.94)
Dalgety	Dec.	15,700	(12,200)	11.0	(8.04)
Brit. Cargo Airlns.	Sept.	805L	(535)	—	(—)
Deborah Services	Sept.	746	(625)	1.1	(1.0)
Douglas (Robert)	Sept.	1,150	(1,660)	1.1	(0.97)
Elbief	Oct.	121	(151)	0.39	(0.39)
English Assocn.	Dec.	218	(77)	27.8	(9.8)
Guildhall Propty.	Dec.	492	(379)	0.75	(0.6)
Guinness Peat	Oct.	6,220	(1,850)	2.75	(2.25)
Jackson (Wm.)	Oct.	1,090	(950)	—	(—)
Meat Trade Sups.	Sept.	201	(135)	3.5	(3.35)
Press Tools	*Oct.*	206	(170)	0.95	(0.73)
Ramar Textiles	Nov.	200	(90)	—	(—)
Reliance Knitwear	Oct.	228	(350)	1.54	(1.54)
Webb (*Joseph*)	Sept.	295	(227)	0.13	(0.12)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusting for any intervening scrip issue. † 18 months to June 1979—Also first set of figures since Indianisation. L Loss.

Offers for sale, placings and Introductions

Mid Kent Water Company: Offer for sale by tender of £5m 9 per cent redeemable preference stock 1985 at a minimum price of £97 per cent.

APPOINTMENTS

Renold group finance director change

Mr. E. J. Murfin is to become group finance director of RENOLD on May 1 and will continue as secretary. Mr. E. B. Jackson retires as group finance director on that date but will remain a director.

★

Mr. J. A. Clough is to become chairman of BRITISH MOHAIR SPINNERS from April 25 on the retirement of Mr. T. W. Hibbert as chairman and director. From that date Mr. Clough will relinquish his appointments as chief executive and deputy chairman and hold the position of joint managing director in addition to that of chairman. Mr. C. A. Little, finance director, is to be deputy chairman and joint managing director. Mr. G. Litten, managing director, will relinquish that responsibility to concentrate on the post of export and marketing director of the group.

★

Sir Donald Barron is to join the Boards of the CANADA LIFE ASSURANCE COMPANY OF GREAT BRITAIN and the Canada Life Unit Trust Managers from March 1.

★

Mr. George Bull has been appointed deputy managing director of INTERNATIONAL DISTILLERS AND VINTNERS, part of Grand Metropolitan. He continues as managing director for Europe with responsibilities for Africa and the Indian Ocean.

★

Mr. Robin Clark chairman of Taylor Clark, has joined the Board of CALEDONIAN ASSOCIATED CINEMAS.

★

Sir Lawrence Boyle, who has retired as chief executive of Strathclyde Regional Council, has joined the Board of SCOTTISH MUTUAL ASSURANCE SOCIETY.

★

FROUDE ENGINEERING, a member of the Redman Heenan International group, has appointed Mr. Paul Plowman as financial director and Mr. James Mitchell as production director.

★

Mr. Gervais Lebugle has become managing director of CITROEN CARS (UK) replacing Mr. Patrick Brun-Wibaux, who has returned to Paris to take up a new appointment at Citroën's headquarters.

★

Mr. Philip Sadler, principal of Ashridge Management College, has been appointed a non-executive director of the WILLIAMS LEA GROUP.

★

Mr. A. Kilby has been appointed chairman of PRIEST FURNACES and Dr. C. P. Brittain becomes managing director. Mr. F. R. Priest has retired.

★

Mr. H. W. Higginson has joined the Board of the CROWN LIFE GROUP OF COMPANIES (UK). He was formerly a partner with Herbert Smith and Co.

★

Mr. John Auld, has been appointed marketing director of ULTRAMAR GOLDEN EAGLE, a subsidiary of Ultrama Company.

★

Dr. H. Peter Jost and Mr. J. G. Merrett have been appointed directors of OIL SEPARATORS INTERNATIONAL following its acquisition by Engineering and General Equipment.

Mr. Charles Rushton has been appointed a direcor of KLINGER OF MARGATE, a member of the Montfort (Knitting Mills) group.

★

Mr. John E. Nash has succeeded Mr. Hermann L. Budich as Board chairman of S. G. WARBURG BANK AG, Zurich.

★

Mr. George E. Mitchell has been elected a director, president and chief executive officer of REDLAND BRAAS CORPORATION from March 1. He was formerly senior vice president of Certain-Teed Corporation. Redland Braas is jointly owned by Redland, of England and Braas and Co. GmbGH, West Germany.

★

The ROSSER AND RUSSELL GROUP has made the following appointments from April 1. Mr. L. A. Wallis joins the Board of Rosser and Russell (Services) as deputy managing director; Mr. B. Giles is made a director of Rosser and Russell (London); and Mr. C. E. Gilbert and Mr. K. B. Wallace become engineering managers responsible to Mr. Giles.

★

Mr. Norman Birch, managing director of National-Standard Company (UK), has been elected to the Board of the parent concern, NATIONAL-STANDARD COMPANY, of the U.S.

★

Mr. Daniel van der Plassche has been elected chairman of EUROPOOL. He is the director International of CIG, the Belgian member. Mr. van der Plassche succeeds Mr. Frank van Iersel, general manager of Alpha Computer, who has been chairman of Europool since January, 1978. Europool is an association of the leading computer service bureaux from eight European countries and was formed in 1975.

★

Mr. Melvyn Taylor, chief accountant of Foster Menswear, has been appointed to the Board of that company and Mr. John Wilson has become personnel director. Mr. Jeremy Collins, group systems manager with Foster Brothers (Group Services), has been made assistant management services director. The parent concern is FOSTER BROTHERS CLOTHING COMPANY.

★

Mr. Hugh Lang, group chief executive of P-E INTERNATIONAL, will succeed Mr. J. M. Paton as chairman at the annual meeting in June. Mr. Paton will remain on the Board as a non-executive director. Mr. L. J. Weaver becomes managing director with immediate effect with responsibility for all the group's management consulting business. Mr. J. G. Donaldson continues as the executive director responsible for P-E Computer Services and other aspects of P-E's computer-related business.

★

Mr. G. P. Welsh has been appointed managing director of NEWS INTERNATIONAL in place of Mr. K. R. Murdoch, who remains chairman and chief executive.

BLACKWOOD MORTON & SONS (HOLDINGS) LTD.

Interim Statement

Unaudited Group results for the six months to 31st December, 1979:

	Six months to 31st Dec. 1979 £	Six months to 31st Dec. 1978 £
Sales	10,922,493	13,003,947
Trading profit before Depreciation and Bank Interest	37,094	688,689
Less: Depreciation	235,325	215,827
Bank Interest	281,106	245,746
	516,431	461,573
(Loss)/Profit before Tax	(479,337)	227,116
Deferred Tax	(48,000)	102,000
(Loss)/Profit after Tax	(433,337)	125,116
Extraordinary Item	(112,006)	174,200
(Loss)/Profit after Tax and Extraordinary Item	(545,343)	299,316
Loss (1978 Earnings) per share	(5.4p)	1.6p

In September, it was hoped that, following the reductions in income tax, the home trade demand for our products would improve from October onwards. In fact, the benefit of reduced taxation was to a large extent offset by the increased cost of living with the result that home sales were disappointing and the strength of the £1 has continued to make exporting difficult. The combination of excess capacity in the industry, competition from imports and high interest rates caused many U.K. manufacturers to sell at uneconomic prices at a time when demand was low. We maintained our prices but sales suffered and, as a result of lower output and increased costs, a substantial loss was incurred in the six months to 31st December.

To date no action has been taken by our Government or the E.E.C. to limit imports of carpets from North America and unless such action is taken or the oil pricing policy of the U.S. Government is changed, imports will continue to be a depressing influence.

Both at home and overseas an upturn in demand seems unlikely in the present economic climate, in which event it is anticipated that a substantial loss will be incurred in the year to 30th June next. Accordingly, some re-organisation of the Group's activities is taking place. Reductions have already been made in our administrative staff and we have decided that it is essential to concentrate all yarn spinning and Wilton production in Kilmarnock. As a result of this decision, our spinning and Wilton weaving mills in Liversedge, Yorkshire, where we employ some 300 people, will be closed as soon as possible and discussions with the Unions concerned will take place during the statutory period of 90 days notice of redundancy. This decision has been made with considerable regret. The costs of closure in Yorkshire will be considerable and most of these will fall in the current financial year.

We have already closed our stock warehouses in London, Cardiff and Belfast. In the case of London and Cardiff, the leases are being sold and in Belfast the lease expires in August 1980.

When the transfer of production to Kilmarnock has been completed, there will be considerable savings in transport and administration costs and a return to profitability thereafter can be anticipated.

Haynes Publishing Group Ltd

INTERIM STATEMENT

The directors are pleased to announce the unaudited results for the 26 weeks ended 30th November, 1979.

	6 months ended 30.11.79 (Unaudited) £000	30.11.78 (Unaudited) £000
Sales		
United Kingdom and exports	1,826	1,466
North America	557	399
	2,383	1,865
Group Trading Profit		
United Kingdom and exports	321	303
North America	66	33
	387	336
Interest Received	14	1
Interest Charges	(4)	(11)
Group Profit Before Taxation	397	326
Taxation		
United Kingdom	(37)	(156)
North America	(32)	(12)
Group Profit After Taxation	328	158
Outside Shareholders' Interest	—	(13)
Extraordinary Item	(22)	—
Profit Attributable to Shareholders	306	145
Earnings Per Share	5.87p	2.90p
Dividend Per Share	2.0p	—

During the first half of the year turnover increased by 24.6% in the UK and by 39.6% in North America to give an overall increase of 27.8% compared with the same six months of the previous year. Group pre-tax profit for the period increased by 21.8% and the profit after taxation attributable to shareholders by 111.0%.

The stock levels of finished books have been increased significantly during the first six months of the current year and provision has been made for the appropriate amount of stock relief which has reduced the tax charge compared with the corresponding period of the previous year.

In the UK the effect of price increases which were introduced on 1st November, 1979, combined with the traditional upsurge in sales during the Spring period, should result in further advancement during the second half of the year.

In the USA the research, origination and editorial facility is now firmly established and functioning satisfactorily but due to necessarily long lead times the effect of the US contribution to sales will not be felt until after the Company's year end on 31st May, 1980. Nonetheless, it is encouraging to note the useful increase in contribution to the Group's profit made by Haynes Publications Inc.

The overseas results have been consolidated at the rate of exchange ruling at the end of the six month periods.

The comparative figures for 1978 include the results of J. H. Haynes (Investments) Inc. although that company was not part of the Group and remains outside the Group, since the whole trade has subsequently been acquired by Haynes Publications Inc. (a 100% subsidiary of Haynes Publishing Group Limited).

Earnings per share have been calculated on the whole issued share capital of the Company at 30th November, 1979, which is 5 million Ordinary 20p shares. For comparative purposes the earnings per share for the period in 1978 has also been calculated on the present issued share capital rather than on the 143,200 Ordinary 10p shares which were then in issue. In view of the anticipated taxation charge the Chairman and Mrs. A. C. Haynes have agreed to waive completely the dividend on those of their shares eligible for dividend payment.

The directors have declared an interim dividend of 2p per share on Ordinary share capital expected to rank for dividend payable on 29th February, 1980, to shareholders on the register on 15th February, 1980.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone: 01-638 8651

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	72	Airsprung Ord.	72	−1	6.7	9.3	4.3†
50	36	Armitage and Rhodes	36	−1	3.8	10.6	2.4†
234	185	Bardon Hill	234	—	13.8	5.9	8.9†
100	85	County Cons 10.7% Pf.	85	−1	15.3	18.0	—
101	63	Deborah Ord.	69	—	5.0	5.6	9.8
353	140	Deborah 17½% CULS.	350	—	17.5	5.0	—
85	68	Frank Horsell	68	—	7.9	6.2	6.0
129	100	Frederick Parker	105	—	12.8	12.2	8.1†
158	102	George Blair	102xd	−3	16.5	16.2	—†
82	45	Jackson Group	59	—	5.2	8.8	3.5†
153	113	James Burrough	115	+2	7.2	6.3	10.1
260	242	Robert Jenkins	250	—	31.3	12.5	8.0†
232	175	Torday Limited	219	—	14.3	6.5	5.7†
34	16½	Twinlock Ord.	21	—	0.8	4.0	4.0†
80	70	Twinlock 12% ULS.	76	—	12.0	15.8	—
56	23	Unilock Holdings	51	—	2.6	5.1	10.8
84	42	Walter Alexander	51	—	4.4	5.2	5.6
190	136	W. S. Yeates	183	—	11.5	6.3	7.1

† Accounts prepared under provisions of SSAP 15.

CORAL INDEX: Close 460-465 (−10)

Early 11.26 fall on Wall St.

FURTHER SHARP losses hit Wall Street yesterday, when the market was poised to retreat on a continuation of profit-taking and because of the early Labor Department report that January Wholesale Prices rose 1.6 per cent, the sharpest gain in five years.

By 1 pm the Dow Jones Industrial Average was down a further 11.26 to 882.51, making a net loss of 13.22 on the week. The NYSE All Common Index, at $66.06, shed 76 cents on the day and $1.51 on the week, while declines led advances by a three-to-one majority. Trading volume expanded 2.10m shares to 35.54m, compared with 1 pm Thursday.

The selling was further fuelled by the announcement, as trading began, that the Federal Reserve had raised the Discount Rate to 13 per cent from 12 per cent at three District Banks, including New York.

Oil and Metal stocks led the market lower. Royal Dutch gave up $1½ to $85¾, St. Joe Minerals $1 to $48¾, NL Industries $1⅞ to $40⅞, Hecla Mining $1 to $44¼, Williams Cos $1 to $36, Amax $2¼ to $55⅞, Marathon Oil $1⅞ to $66¼ and Standard Indiana $1½ to $106⅞. Santa Fe Industries declined $1⅞ to $63⅞. Phillips Petroleum $1½ to $56⅞ and Rosario Resources $2 to $75¼.

Armco lost $1 to $30½—it is closing its experimental deep coal mine in Eastern Oklahoma due to high operating costs, and has agreed to buy American Druggists Insurance Company for $18m in stock.

Atlantic Richfield were off $2¼ to $98 and Geosource $1 to $62.

On the plus side, Baxter Laboratories rose $1½ to $39⅞, Superior Oil $2 to $168 and Alaska Interstate $1⅞ to $49¾.

THE AMERICAN SE Market Value Index surrendered 1.99 to 279.39, making a fall of 9.40 on the week. Declines led advances 365-to-169 and the volume was 4.53m (4.17m) shares.

Gulf Oil Canada, delayed at the opening, moved up $3½ to $114¼ on its proposed five-for-one stock split.

Other Canadian Oils, however, were lower. Hudson's Bay Oil and Gas dipped $1½ to $107¼, and Dome Petroleum $1 to $59.

Canada

Markets were again lower in active trading yesterday, when the Toronto Composite Index slipped a further 5.5 to 2,039.5 by midday.

The Gold Share Index dipped 24.7 to 3,227.7, Banks 4.08 to 321.27, Papers 0.82 to 200.75 and Utilities 0.43 to 260.88, but Oil and Gas rose 12.3 to 4,284.2 and Metals and Minerals firmed 4.2 to 2,204.4.

Gulf Canada recovered $5¾ to $134¼ so plans for a five-for-one stock split.

Australia

Profit taking prompted by unexpected scarcity of Foreign funds led markets down after one of the busiest weeks on record. Resource stocks which began tumbling at the opening in reaction to lower Base Metal prices in London overnight continued to plunge throughout the day.

However, brokers noted strong Metal prices, an undervalued Australian dollar and loosened UK Foreign Investment Restrictions remained basically unchanged.

Thiess were off 60 cents at A$9.50 and Utah 30 cents at 4.90, while CRA fell 60 cents to 6.50 and Peko Wallsend 50 cents to 9.70.

Market leader BHP fell 45 cents to 13.85, despite the widely-forecast record half-year profit announced just before the close.

Some brokers said an announcement the ANZ Bank was increasing overdraft charges for amounts under A$100,000 may have had a dampening effect on Stock Markets.

Sugar issues, riding on record prices finally gave way to selling pressure.

In the banking sector, the Bank of New South Wales led the falls with a 13 cents drop to 3.35.

Tokyo

Share prices closed lower in heavy trading on caution after recent gains and a possible rise in the Bank of Japan's Official Discount Rate. Volume 900m (650m), shares, the heaviest of the year.

Oils, Minings, Light Electricals, non-Ferrous Metals, Chemicals and Machineries eased. Steels and Shipbuildings were strongly bought in the morning but these were later sold on anxiety over the continuing rise of the index. Some speculative Defence issues rose.

Hong Kong

Stock prices closed off their highs in moderately active trading.

News of higher 1979 profits for Jardine Matheson subsidiary Rennies Consolidated Holdings, boosted Jardines 20 cents to HK$19.30.

Jardine 7½ per cent loan stock closed HK$4 higher at 92 bid, and well-informed market sources said HK$75m worth had been placed with Institutions in London for Jardine Securities. A spokesman for parent company Jardine Matheson would neither confirm nor deny this.

Paris

French share prices weakened on profit-taking and position squaring in moderately active pre-weekend trading.

The adjusted 1.5 per cent rise in French Industrial Production in December announced after Thursday's close, had no apparent impact.

Electrics fell most, with Cit Alcatel down FFr 26 to 1,153.

Banks, Insurances and Chemicals were also down, while Oils were mixed and Cars, Metals, Rubbers and Engineerings were steady.

All Foreign sectors weakened, except Dutch, which were mixed.

Johannesburg

Gold shares closed lower in fairly quiet end-week trading.

"Sallies" fell 80 cents to R9.80 despite news of its potential gold mine discovery.

Mining Financials also were generally lower.

Platinums eased, while Industrials were mixed.

Switzerland

Prices closed barely steady with Bonds steady in small volume dominated by pre-week-end professional trading.

Credit Suisse Bearer edged higher again in Banks while, in Financials, Schindler Bearer and Interfood each fell but Moevenpick rose.

Insurances were hardly changed and leading Industrials were barely steady.

Germany

Most leading shares closed mixed to easier against Thursday's prices in fairly active trading.

Commerzbank led Banks down Dm 2.50 at 180.5, whereas Electricals were mixed with Siemens easing Dm 1.30 to 275.

In mixed Engineerings, Linde rose DM 2 but KHD fell DM 1.30.

VW eased Dm 0.8 to 182.7 in irregular Motors, where Daimler gained Dm 2 to 262. Stores were also mixed with Horten rising Dm 1.00 but Karstadt shed Dm 1.50.

In Options trading interest centred on Philips and Kaufhof Call Options and prices were steady in light turnover.

On the Domestic Bond Market, Public Authority issues were mixed with losses of up to DM 0.40 and gains of up to Dm 0.10. The Regulating Authorities sold a nominal Dm 5.3m worth of stock after buying Dm 3.1m Thursday.

Mark Foreign Loans eased slightly.

Closing prices for North America were not available for this edition.

Indices

NEW YORK—DOW JONES

	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 9	Feb. 7	1979-80 High	1979-80 Low	Since Cmpil'n High	Since Cmpil'n Low
◆ Industr'ls	893.77	903.84	899.98	889.59	885.75	886.45	895.54 (13/2/80)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	60.57	60.15	60.54	59.04	69.60	60.79	66.15 (15/8)	60.12 (15/2/80)	—	—
Transport.	290.86	297.72	297.23	300.84	305.38	293.08	305.80 (8/2/80)	205.78 (27/2)	306.80 (8/2/80)	12.23 (8/7/32)
Utilities	112.65	113.46	112.82	112.29	111.33	111.23	113.46 (13/2/80)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	50,540	63,255	48,090	58,660	57,860	57,696	—	—	—	—

●Day's high 912.53 low 886.98

Ind. div. yield %	Feb. 9	Feb. 1	Jan. 25	Year ago (approx
	6.60	6.50	6.40	5.50

STANDARD AND POORS

	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 8	Feb. 7	1979-80 High	1979-80 Low	Since Cmpil'n High	Since Cmpil'n Low
‡Indust'ls	132.41	134.47	133.83	132.78	133.70	131.62	134.47 (13/2/80)	107.08 (27/2)	134.04 (11/1/73)	3.52 (30/6/32)
§Composite	116.72	118.44	117.90	117.12	117.96	118.29	118.44 (13/2/80)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Feb. 13	Feb. 9	Jan. 30	Year ago (approx)
Ind. div. yield %	4.81	4.92	4.89	5.07
Ind. P/E Ratio	8.45	8.22	8.29	8.98
Long Gov. Bond Yield	11.85	11.88	11.19	8.98

N.Y.S.E. ALL COMMON

Feb. 14	Feb. 13	Feb. 12	Feb. 11	1979-80 High	1979-80 Low
66.82	67.77	67.31	67.11	67.77 (13/2/80)	53.88 (27/3)

Rises and Falls

	Feb. 14	Feb. 13	Feb. 12
Issues Traded	1,871	1,933	1,915
Rises	413	800	737
Falls	1,105	759	771
Unchanged	353	374	407
New Highs	58	165	73
New Lows	60	78	82

MONTREAL

	Feb. 14	Feb. 13	Feb. 12	Feb. 11	1979-80 High	1979-80 Low
Industrial	371.32	383.53	384.34	384.68	384.68 (11/2/80)	319.19 (2/1)
Combined	343.84	354.88	355.05	356.06	356.06 (11/2/80)	225.80 (2/1)
TORONTO Composite	2045.0	2107.7	2117.1	2118.6	2118.6 (11/2/80)	1515.8 (2/1)

	Feb. 15	Feb. 14	Feb. 13	Feb. 12	1979-80 High	1979-80 Low
AUSTRALIA						
Sydney All Ord. (1958/58)	678.68	647.47	624.89	634.88	647.47 (14/2/80)	546.72 (2/1/79)
Metals & Minls (1958/58)	6287.44	6660.95	6412.89	6058.47	6660.95 (14/2/80)	2587.34 (2/1/79)
AUSTRIA						
Credit Aktien (2/1/62)	68.63	68.77	68.77	68.64	68.49 (7/1/80)	67.33 (2/8)
BELGIUM						
Belgian SE (31/12/63)	103.65	105.02	105.16	104.65	109.47 (5/10)	98.90 (8/1/79)
DENMARK						
Copenhagen SE (1/1/73)	81.53	81.59	81.68	81.36	97.46 (25/7)	81.36 (15/2/80)
FRANCE						
CAC General (29/12/61)	115.6	115.2	114.0	115.9	115.2 (14/2/80)	82.4 (15/2/79)
Ind Tendance (29/12/79)	108.7	109.2	109.7	106.8	109.7 (13/2/80)	85.8 (6/1/80)
GERMANY						
FAZ-Aktien (31/12/58)	235.03	237.07	233.89	230.94	265.60 (18/1/79)	218.11 (21/1/80)
Commerzbank(Dec. 1953)	741.8	745.0	734.5	725.9	853.60 (18/1/79)	686.5 (21/1/80)
HOLLAND						
ANP-CBS General (1970)	85.4	85.9	83.8	85.7	84.2 (24/1/79)	81.3 (21/1/80)
ANP-CBS Indust. (1970)	68.0	66.5	66.1	66.4	86.8 (24/1/79)	65.5 (21/1/80)
HONG KONG						
Hang Seng Bank(31/7/64)	993.17	981.21	957.24	954.03	993.13 (15/2/80)	495.83 (2/1/79)
ITALY						
Banca Comm. Ital (1972)	91.39	91.47	91.22	90.96	96.85 (4/10)	65.38 (2/1/79)
JAPAN						
Dow Average (16/5/49)	6827.71	6938.89	6855.89	6828.05	6938.89 (14/2/80)	5925.87 (18/4)
Tokyo New SE (4/1/68)	472.47	472.85	471.97	471.66	472.85 (14/2/80)	455.15 (13.7)
NORWAY						
Oslo SE (1/1/72)	143.47	144.70	143.47	141.71	144.70 (14/2/80)	74.46 (18/1/79)
SINGAPORE						
Straits Times (1966)	476.28	478.26	473.42	470.67	476.28 (14/2/80)	345.34 (23/3/79)
SOUTH AFRICA						
Gold (1958)	—	555.5	555.5	559.9	563.1 (11/2/80)	226.40 (17/4)
Industrial (1958)	—	517.4	517.2	514.5	517.2 (14/2/80)	270.30 (2/1/79)
SPAIN						
Madrid SE (29/12/78)	101.89	101.82	100.99	101.01	102.25 (18/1/80)	98.31 (15/1/80)
SWEDEN						
Jacobson & P. (1/1/58)	380.81	380.54	378.87	381.42	401.54 (6/2/79)	331.37 (24/9)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	318.5	317.9	317.4	317.5	329.16 (2/5)	294.98 (3/1/79)
WORLD						
Capital Intl. (1/1/70)	—	142.2	‡145.3	142.6	145.3 (13/2/80)	122.2 (1/5/79)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Reliance Grp.	1,475,300	69½	+1½	Exxon	431,500	65⅞	−1⅞
Baxter Travenol	603,500	38½	−2⅞	Valero	409,200	19⅞	−1⅞
Texaco	585,300	37¾	−¾	Bankamerica	386,500	23⅞	−⅞
First Chicago	540,700	14½	−⅞	Gulf Oil	364,800	45⅞	−1⅞
IBM	477,900	68½	−⅞	RCA	349,000	24⅞	+⅞

INTERNATIONAL COMPANIES and FINANCE

Swissair plans chain of luxury hotels

By John Wicks in Zurich

SWISSAIR, the Swiss national airline, is "examining the possibility" of setting up its own chain of luxury hotels. Initially, the establishment of some ten hotels is foreseen mostly in central European cities served by the airline's routes.

It has not yet been determined whether Swissair will build its own hotels, buy up or invest in existing hotels or take over lease or management contracts. At present the company is not prepared to release financial details, though a Swissair spokesman indicated yesterday that the sums would be modest in comparison with Swissair's actual airline operations. More details are to be announced in mid-March.

The Swiss airline already has a 17 per cent stake in the international airline-controlled Penta hotel group and owns minority shareholdings in three leading Zurich hotels and in the Vienna Hilton. It also owns half of the Swiss hotels' sales promotion company Probotel AG.

Among other interests in the tourist industry, Swissair holds a controlling interest in the major travel-agency Kuoni of Zurich and is the sole shareholder in the restaurant company, Reveca. This latter company is currently acting as a consultant in connection with the reconstruction of restaurants in the Swiss Centre in London and is negotiating to take over the management of the four restaurants concerned.

Pierrel in profit

Pierrel, the Italian chemical and pharmaceutical group, will post a net profit for 1979 but will not distribute any dividend for the sixth straight year, managing director, Giovanni d'Arminio Monforte said yesterday, reports AP-DJ from Milan.

Strong increase in BHP's profits at halfway mark

BY JAMES FORTH IN SYDNEY

AUSTRALIA'S largest company and sole steel producer Broken Hill Proprietary boosted group profit by 65 per cent from A$89.4m to A$147.5m in the six *months ended November. Registering strong gains in all major divisions, the group expects to maintain this level of profits growth over the rest of the year.*

The interim result reflects BHP's method of accounting, which partially allows for the effects of inflation. Conventional historical cost accounting leaves profits up 44 per cent from A$160.7m to A$235.1m.

The BHP directors criticise the Government for lack of recognition of inflation for tax purposes which they say reduces the amount allocated to meet the costs of replacing plant. The steel division has a very large investment in fixed assets and is "particularly disadvantaged" by the lack of allowance for the effects of inflation in determining taxable income.

The steel division more than doubled earnings for the half year to A$19.5m.

Last year the minerals division almost trebled earnings from A$5.0m to A$14.7m, while profits from the oil and gas division rose 50 per cent to A$96.6m. Earnings from other subsidiaries and investments rose from A$9.4m to A$16.7m. The result was after an increase of 15.3 per cent in the fixed asset utilisation charge to A$160.5m, which included a fixed asset value adjustment (Fava—BHP's allowance for *inflation*) of A$37.58m compared with A$71.2m a year earlier.

Earnings per share have increased from 70.9 cents to 86.1 cents before allowing for Fava, and from 38.3 cents to 53.1 cents after deducting Fava. BHP has already announced an increase in interim dividend from 15.5 cents to 17 cents a share.

Despite the uncertainties overseas the outlook for the group during the remainder of the year is generally favourable. A further modest strengthening of domestic steel sales can be expected, and with good export prospects the group is likely to maintain high levels of plant operation. Better demand and prices are also expected for mineral exports than the present state of the world steel industry might seem to indicate.

Cash flow from operations rose from A$203m to A$250.5m. The group has made early repayments of U.S.$83m of overseas borrowings. Capital expenditure for the six months rose by A$13.9m to A$180m.

In association with BP Australia, and Conzinc Riotinto of Australia, BHP has recently submitted a proposal in relation to the possible future development of the Rundle oil shale deposits. The development of this project is estimated to cost between A$3bn and A$10bn to produce 200,000 barrels of oil a day by the late 1980s.

Atlas Copco steps up payout

BY OUR STOCKHOLM STAFF

HIGH DEMAND, especialy in the second half, and improved capacity utilisation enabled Swedish compressed air and hydraulic equipment manufacturer Atlas Copco to increase pre-tax profit by 11 per cent to SKr 334m ($80.5m) for 1979. Dividend is SKr 6 a share, up from SKr 5.80 on increased capital.

Last spring the group said 1979 earnings would exceed the SKr 301m recorded for the preceding year. Turnover was also exactly on target at SKr 5.3bn ($1.28bn), or 12 per cent higher than in 1978.

Orders received were up 13 per cent to SKr 5.53bn, with sales companies in the U.S., Mexico, Japan, Italy and Sweden doing well. Due to Swedish legislation preventing Swedish-owned companies in South Africa from expanding operations, Atlas Copco was "unable to take full advantage" of market growth there, the preliminary report stresses.

Atlas Copco airpower, the group's compressor company, recorded a 17 per cent rise in order inflow while orders for mining equipment and tools grew more slowly. Monsun-Tison, which makes hydraulic equipment, recorded a sharp increase in orders.

Swedish companies contributed a larger share of profits in 1979 than has been the case for some years, while profitability in Brazil was hampered by the 30 per cent Cruzeiro devaluation in December. Extraordinary costs adversely affected earnings in Iran.

Due partly to an increase of SKr 51m in inventory reserves, against an equally large reduction in 1978, profit after appropriations and tax was down from SKr 209m to SKr 148m. Return on capital rose from 11.2 to 11.4 per cent and the ratio of equity to assets rose from 34.5 to 34.9 per cent.

- Borregaard, the Norwegian industrial group, whose activities span forest products, *foodstuffs, chemicals and textiles*, reports a marked jump in profits for 1979 and a dividend of *NKr 8 a share is being recommended*. No dividend was paid for 1977 or 1978, writes Fay *Gjester* in Oslo.

Operating profits, before tax and year-end allocations, were *NKr* 130m, compared with NKr 12.8m in 1978. Net profit after allocations and tax was *NKr* 64m, against a net loss of NKr 39m in 1978. The company's financial position was "considerably strengthened" during the year.

Growth at Saab brings rise in dividend

By Victor Kayfetz in Stockholm

AN IMPROVEMENT in passenger car profits and continued good earnings growth on trucks has enabled Sweden's Saab-Scania to produce almost doubled pre-tax profits for 1979 of SKr 961m ($232m) before extraordinary items, against SKr 530m in 1978. Sales rose 15 per cent to SKr 13.43bn ($3.24bn).

The board is recommending a dividend of SKr 7 a share, against SKr 4.56 last time after adjusting for last year's share issues and two-for-one split. The total payout involves SKr 110m, up from SKr 63m previously.

Extraordinary items showed a net loss of SKr 9m, compared with a loss of SKr 65m in 1978. After this, group profits more than doubled from SKr 465m to SKr 952m. Earnings equalled SKr 29.80 a share, up from SKr 16.30, while profit margins improved from under 5 per cent to above 7 per cent.

Volvo, Saab's principal competitor, recently announced that its preliminary pre-tax profit for 1979 was SKr 1.2bn ($290m), up from SKr 646m, making it the first Swedish company to breach the SKr 1bn barrier, but this was on turnover of SKr 23.4bn ($5.65bn) or nearly twice Saab-Scania's sales. Volvo's adjusted earnings rose by SKr 10 to SKr 28.30 a share and profit margins climbed from 3.4 per cent to 5.1 per cent.

Scania products, dominated by large trucks, showed 1979 sales of SKr 5.99bn, up 26 per cent on 1978, while Saab passenger cars recorded a turnover of SKr 3.82bn, an increase of 17 per cent.

Saab-Scania's troubled aircraft division had lower profits on sales of SKr 940m, down 16 per cent. The heat technology company, Parca Norahammar, improved its earnings on sales 24 per cent up at SKr 317m.

Markets outside Sweden accounted for 53 per cent of group sales, against 49 per cent in 1978. Year-end order backlog was SKr 8.69bn—52 per cent higher than 12 months earlier.

After appropriations and taxes, net profit was SKr 233m, up from SKr 198m.

Record year for Wrigley despite poor final quarter

BY OUR FINANCIAL STAFF

EARNINGS for 1979 at Wm. Wrigley Jr., the chewing gum maker, have fallen below analysts, predictions following a setback in the final quarter which was evidently more severe than expected.

Nevertheless, net earnings for the year have risen 14 per cent to a record $36.4m. The board says that continuing inflation will make it difficult to match this figure in the current year. Share earnings for 1979 are $9.26 against $8.08, while sales, at $505.4m, gained 11 per cent.

The final quarter brought a fall of 9.7 per cent to $7.4m in net earnings, with the share total down from $2.08 a share to $1.88. Sales, however, put on 11 per cent to $129.5m.

In the first nine months of the year, sales grew by 14 per cent and earnings by 23 per cent. Volume trends for the company's major brands have been reported as weak, and little growth is expected in 1980.

The company said that it expects increased costs in all areas this year, adding that larger investments in marketing will be needed just to maintain last year's momentum.

Wrigley, the world's largest *manufacturer of chewing gum*, finds 60 per cent of its profits inside the U.S., and 36 per cent in Europe. *It has minor activities* in industrial coatings and adhesives.

New division at Exxon

By Our New York Staff

EXXON, the largest oil company in the world announced yesterday that it was forming a new department to handle its growing commitment to synthetic fuels development.

The term synthetic fuels covers mainly the gasification and liquification of coal, and *it is presumably no coincidence* that the new department will be headed by Mr. G. P. Larkin, currently senior vice-president of Exxon Coal USA.

Exxon's other synthetic fuel interest is oil shale, where it is preparing to make a $3.5bn investment to help develop the huge deposits in Colorado, Utah and Wyoming.

Armco in insurance deal

BY DAVID LASCELLES IN NEW YORK

ARMCO, the fifth largest steel company in the U.S., is to invest in the insurance business by buying American Druggists Insurance for $18m. American Druggists is a Cincinatti-based property and casualty insurer.

Although this is a small deal by most standards, it is further evidence of the strong attraction of insurance by other areas of the U.S. business. Oil companies, manufacturers, retail stores and financial institutions have all moved into the field in recent months, citing the lure of large assets and relatively steady earnings growth.

Bank of China loan reduced

By Francis Ghilès

THE MEDIUM term loan which the Paris based consortium bank, Union de Banques Arabes et Francaises (UBAF) was given a mandate last March to raise for the Bank of China will be signed in London next Friday.

The amount and maturity initially agreed between the Chinese and the lender, however, have been altered from what they were initially. The amount has been reduced from $500m to $300m while the maturity has been stretched out from 3½ to five years. The spread, pegged at ½ point above the London interbank rate, remains unchanged.

The loan is being syndicated on a "club" basis among the shareholders of UBAF and a number of other Arab banks.

COMMODITIES/REVIEW OF THE WEEK

Sugar price setback after new peak

BY OUR COMMODITIES STAFF

THE WORLD sugar price upsurge boiled over towards the end of the week with the May futures position on the London market falling £10 yesterday to end the week £24.25 up on balance at £283.875 a tonne. The London daily raw sugar price fell £26 yesterday to £261 a tonne, up £36 on the week.

Earlier, as the continuing rise was fuelled by speculators covering against short sales, May futures had reached a five-year peak of £318 a tonne and the LDP had climbed to £287 a tonne.

News that the International Sugar Organisation had authorised the release of 837,000 tonnes from its 2m tonnes reserve stock, despite strong producer opposition, appeared to have little impact on the market. The release was triggered by the rise of the 15-day average price above 19 cents a kilo and if current prices are maintained further releases are likely before the end of this month.

Other "soft" (non-metal) commodity prices to move higher this week were cocoa and rubber, but both subsequently fell back.

May delivery cocoa futures moved up to £1,513.5 a tonne at one stage, encouraged by the general wave of speculative buying, but following a £22 fall yesterday ended the week only £9 up at £1,473.5 a tonne.

Speculative buying also affected the natural rubber market and the RSS No. 1 spot position in London surged to an all-time peak of 90p a kilo at one time. But the price fell sharply on Thursday and another 1p fall yesterday left it 0.5p down on the week at 83p a kilo.

Coffee moved consistently in *the opposite direction to* the other markets, falling initially and recovering towards the end of the week. Following a £40 rise yesterday the May futures position ended £5.5 up at £1,519 a tonne.

The early fall had been encouraged by a large cut in Brazil's minimum export price, though this still left the price well above world market levels.

Copper prices rose sharply at the beginning of the week with the three months wirebars quotation reaching an all-time closing peak of £1,376.5 a tonne on Tuesday. Subsequently, however, prices came back sharply on some heavy profit-taking selling.

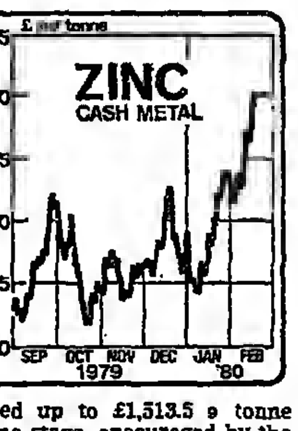
Three months wirebars closed yesterday at £1,346 a tonne, still £39.5 up on the week. Cash wirebars was only £20.5 higher on the week at £1,329 following forecasts of a possible rise, or only a small decline, in LME warehouse stocks.

The market continues to be dominated by speculators although there was some concern about a possible strike at Peru's big Toquepala mine threatened to start on Monday.

Zinc prices advanced strongly on the London Metal Exchange this week reaching the highest level since March last year. Cash zinc closed last night at £400 a tonne, £32 up on the week.

The rise followed speculative buying interest attracted by the feeling that zinc had been left behind in the recent metals "boom" and that there was, therefore, little downside risk.

Supply and demand appear to be in better balance following cutbacks in production some months ago. Several producers and smelters yesterday announced they were raising their official European quotation from $780 to $835 a tonne.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£810/815	—	£710	£810/815	£710
Free Markets c.i.f.	$2180/2200	—	$1,370/90	$2,190	$1,210
Antimony Free Market 99.6%	£5,550/5,575	+97.5	£2,850/900	£3,262.5	£2,712.5
Copper Cash Wire Bars	£1,289	+20.5	£971.5	£1,375.5	£769
3 months Do. Do.	£1,346	+39.5	£987.75	£1,216	£783.75
Cash Cathodes	£1,277.5	+26	£964	£1,316	£744.5
3 months Do	£1,305.5	+29	£979	£1,343.5	£797.25
Gold per oz	$652.5	—59	$245.275	$835	$216.625
Lead cash §	£505.5	—10	£519.5	£701.5	£424.5
3 months §	£495.0	+1.5	£490.5	£642.5	£420.75
Nickel	£3,195.78	—	£3,320.69	£3,260.17	£2,320.88
Free Market c.i.f. lb.	305/350c	—	185/195c	340c	166c
Platinum per oz.	£189	—	£164.5	£195	£152
Free Market per oz.	£586.65	—3.5	£203.4	£407	£166.5
Quicksilver (76lbs.)	$400/410	+5	$215/25	$410	$160
Silver per oz.	1,565.50p	—34.18	366.9p	2,165.85p	269.4p
3 months per oz	1,596.90p	—34.7	377.7p	2,185.05p	303.7p
Tin cash	£7,505	+125	£7,285	£7,957.5	£6,320
3 months	£7,586	+126	£7,197.5	£7,620	£6,365
Tungsten Ind	$138.72	—	$134.14	$145.65	$127.94
Wolfram (22.04 lb)	$139/144	—	$124/29	$144/149	$120.5
Zinc cash	£400	+52	£402.5	£408.5	£275.6
3 months	£410.5	+31	£415.15	£425.5	£285.38
Producers	$780/825	—	$800	$845	$720
GRAINS					
Barley Home Futures	£100.30	—0.55	£93.65	£101.55	£86.2
Maize French No. 5 Yellow (Amer).	£116	—1.5	£108.5	£120	£105.5
WHEAT					
No. 1 Red Spring	‡	—	‡	£99.0	£92.0
Am. Hard Winter	£93.95	—3	£90	£111.75	£83.5
Eng. Milling (new crop)	‡	—	£96.6	£107.6	£43.5
SPICES					
Cloves (g)	$4,050y	—30	$3,975	$4,175	$3,850
Pepper, white	$2,750	—	$2,800	$2,850	$2,600
black	$1,950	—	$1,885	$2,000	$1,650
OILS					
Coconut (Philippines)	$840w	—	$998	$1,175	$840
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£445	+15	£420	£445	£358
Palm Malayan	$675z	—	$699	$725	$582.50
SEEDS					
Copra (Philippines)	$555	—20	$685	$745	$555
Soyabeans (U.S.)	$295.25v	—	$306.35	$350.45n	$235.2
OTHER COMMODITIES					
Cocoa Shipment	£1,497	—38	£1,980	£2,041	£1,446
F'ts 2nd pos.	£1,473.5	+8	£1,801	£1,990.5	£1,330.5
Coffee Futures May	£1,518	+6.5	£1,321.5	£2,089	£1,298.5
Cotton Index	97.75c	+0.18	7.725c	98.40c	72.5c
Des. Coconut	£730	—	£700	£740	£700
Jute UJ ABW C grade	£218y	—3	$512	£263	£221
Rubber kilo	83p	—0.5	60.75p	90p	55p
Sago Pearl	£209y	—	£178	£219	£175
Sisal No. 3 L	$885	—	$510/20	$885	$515
Sugar (Raw)	£261	+36	£102	£287	£98.5
Tapioca No. 1	£204y	—	£167	£211	£167
Tea (quality) kilo	137p	—	126p	155p	123p
(plain) kilo	68p	+1	80p	82p	57p
Wooltops 64s Warp	294p kilo	+8	274p kilo	296p kilo	262p kilo

‡ Unquoted. (g) Madagascar. (x) May. (z) April. (w) March/April. (y) Feb./March. (u) March. (v) July.

MARKET REPORTS

BASE METALS

COPPER—Slightly firmer on the London Metal Exchange. After opening at £1,370 forward metal quickly fell back to £1,348 owing to short-selling and profit-taking. However, concern over the news of President Tito prompted short covering which lifted the price to £1,360. In the afternoon a firm opening on Comex coupled with a downturn in sterling pushed forward metal ahead to £1,368. The market failed to sustain this level as news that the Toquepala miners are not to strike brought a sharp reversal on Comex and in London with forward metal falling away to £1,342 before closing the late kerb at £1,346. Turnover 31,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1344-5	+18	1329-30	—3.5
3 months	1345-3	+18.6	1345-7	+5.5
Settlem't	1345	+18	—	.....
Cathodes				
Cash	1290-2	+23.6	1275-90	+11.5
3 months	1323-4	+23.5	1305-6	—7
Settlem't	1292	+24	—	.....
U.S. Prod	—	.....	*138-45	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,346, 44, 46, 45, 44, three months £1,360, 59, 58, 56, 57, 58, 59, 60, 63, 62, 63, 64, 62, 60, 61. Cathodes, cash £1,295, 94, 92, 90. Kerb: Wirebars, three months £1,362, 61, 60, 61. Afternoon: Wirebars, three months £1,345, 43, 44, 42, 43, 42, 41, 52, 53, 44, 45, 48, 47, 48, 52, 49, 45, 40, 47, 48, 49, 48, 48. Kerb: Wirebars, three months £1,345, 44, 43, 42, 41, 42, 45, 46, 45, 47, 48, 45, 43.

TIN—Sharply higher despite forecasts of a sizeable increase in warehouse stocks. Forward metal opened on a steady note at £7,455, reflecting the rise at Penang and stayed around that level for most of the morning. However, on the morning kerb heavy stop-loss buying was reported and this triggered chartist buying which lifted the price to £7,550. Profit-taking pared three months metal to around £7,500 at the start of afternoon trading but renewed heavy fresh buying and speculative interest pushed the price ahead to £7,570 before a close on the late kerb of £7,530. Turnover 1,400 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7385-95	—2.5	7500-10	+110
3 months	7460-75	+7.5	7560-70	+105
Settlem't	7395	.....	—	.....
Standard				
Cash	7385-95	—2.5	7500-10	+108
3 months	7460-5	+7.5	7550-60	+105
Settlem't	7395	.....	—	.....
Straits E.	$S1811	+21		.....
NewYork	—	.....		.....

Morning: Standard, cash £7,380, 90, three months £7,460, 40, 50, 45, 40, 35, 30, 40, 50, 60. Kerb: Standard, three months £7,480, 7,500, 10, 20, 30, 40, 50, 40, 30. Afternoon: Standard, three months £7,510, 20, 50, 60, 80, 70, 60, 55, 50, 30, 50, 55, 50. Kerb: Standard, three months £7,560, 50, 30, 10.

LEAD—*Marginally firmer.* Forward metal traded up to £495 early on but came under pressure along with copper to touch £490 during the rings. However, in the afternoon good trade support lifted the price to £500 before a close on the late kerb of £497. Turnover 19,000 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	504-6	+3.5	505-6	+3
3 months	493-4	+8	494-5	+7
S'ment	506	+4	—	.....
U.S. Spot	—	.....	*50	.....

Morning: cash £503, 4, 6, three months £494, 93, 92, 91, 92, 93. Kerb: Three months £493, 94. Afternoon: Three months £493, 92, 90, 91, 92, 91, 93, 94. Kerb: Three months £496, 99, 500, 499, 98.

ZINC—Firmer again in active trading. Forward metal opened around the £407 level and quickly rose to £415 on the pre-market reflecting renewed speculative support. This support was again evident on the morning kerb when the price moved up to £420. Thereafter the market came under profit-taking which pared the price to £406 before a close on the late kerb of £407.5. Turnover 24,000 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	402-3	+14.5	399-401	+5
3 months	414.5	+15	410-1	+6
S'ment	403	+14	—	.....
Primw'ts	—	.....	*57.5	.....

Morning: Three months £408, 9, 10, 11, 12, 14, 15, 14. Kerb: Three months £417, 20, 18, 19, 15, 17, 18. Afternoon: Three months £415, 16, 15, 14, 12, 13, 14, 13, 11, 10.5, 11. Kerb: Three months £410, 07, 08, 07.

ALUMINIUM — Easier. Forward material moved ahead in the early trading with the price touching £965 at one point. However, a downturn in copper coupled with profit-taking pared the price to £955 during the afternoon before good support at that level produced a close on the late kerb of £957. Turnover 4,500 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	948-50	—3	945-50	—6.5
3 months	966.9	+2.5	957.5	—5.25

NICKEL

SILVER

COCOA

International Cocoa Organisation (U.S. cents per pound): Daily price Feb. 14 152.79 (154.61): Indicator price Feb. 15 15-day average 145.64 (148.03); 22-day average 146.39 (146.56).

COFFEE

Robustas opened slightly higher than expected, but traded in very poor volume, reports Drexel Burnham Lambert. Producer buying in the afternoon promoted stronger markets in both London and New York ...

GRAINS

RUBBER

SUGAR

COTTON

AMERICAN MARKETS

NEW YORK, February 15.

LACK OF any trade support in the livestock complex led to a major sell-off across the Board. Steady reports of a prospective hostage release have been bearish on silver and gold which managed to closed mixed. The announcement of higher interest rates put copper and cotton into major losses. ...

Sept 304-304½, Dec 312½-312¾, March 322½-323¾.

Pork Bellies—Feb 39.60 (40.37), March 39.70-39.90 (40.52), May 41.35-41.25, July 43.00-42.90, Aug. 42.40-42.50, Feb. 52.40, March 52.80, May —, July —, Aug. —.

Silver—Feb 3575.0 (3695.0), March 3665.0 (3745.0), April 3690.0, June 3746.0, Aug. 3795.0, Oct. 3843.0 ...

INDICES

SOYABEAN MEAL

WOOL FUTURES

MEAT/VEGETABLES

Stock Exchange dealings

Thursday, February 14	27,606
Wednesday, February 13	26,561
Tuesday, February 12	27,674
Monday, February 11	28,019
Friday, February 8	25,675
Thursday, February 7	22,393

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ♦ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ms—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (510)

CORPORATIONS (26)

FREE OF STAMP DUTY

SHORT DATED BONDS

FREE OF STAMP DUTY

PUBLIC BOARDS (11)

FREE OF STAMP DUTY

COMMONWLTH. GOVTS. (16)

REGISTERED AND INSCRIBED STOCKS

FOREIGN STOCKS (2)

COUPONS PAYABLE IN LONDON

STERLING FOREIGN CURRENCY BONDS

CORPORATION STOCKS—FOREIGN

Rio de Janeiro (Fdl. Dist. of) 5pc Bds. 20 (12/2)

BANKS (155)

Alexanders Discount 205♦ 5

Allen Harvey and Ross 335 40 (12/2)

BREWERIES (134)

COMMERCIAL (2,574)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELECTRIC LIGHT (1)

FINANCIAL TRUSTS (85)

GAS (18)

INSURANCE (118)

INVESTMENT TRUSTS (191)

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.500	6	8	3	12.50	—	—	F.294.50
AKZ C	F.22.50	10	3.50	1	4	—	—	F.25.20
AKZ C	F.25	110	1.80	22	2	8	2.60	"
AKZ C	F.27.50	141	0.70	190	1.20	—	—	"
AKZ C	F.30	70	0.30	15	0.70	—	—	"
AKZ P	F.25	40	0.70	34	1.50	—	—	"
AKZ P	F.27.50	—	—	16	3	—	—	"
AKZ P	F.30	—	—	39	4.90	—	—	"
ARB C	F.65	8	0.90	—	—	—	—	F.62.90
BQ C	F.240	50	4	—	—	—	—	F.927.50
FNC C	$25	—	—	1	1	—	—	$21⅝
HEI C	F.70	—	—	36	3.50	—	—	F.67.80
HEI C	F.75	—	—	—	—	2	3.60	"
HEI P	F.75	3	7.50	—	—	—	—	"
HO C	F.20	—	—	10	4.30	—	—	F.21.80
HO C	F.22.50	33	0.70	—	—	—	—	"
HO C	F.25	—	—	10	1.10	25	1.50	"
IBM C	$63	5	6¼	—	—	—	—	$67⅝
IBM C	$70	9	3¼	1	5⅝	—	—	"
IBM C	$75	—	—	—	—	1	5	"
KLM C	F.60	45	11	—	—	2	14	F.09
KLM C	F.70	45	4.20	1	7	—	—	"
KLM C	F.80	102	1.20	20	3.20	27	4	"
KLM C	F.90	31	0.40	1	1.10	—	—	"
KLM C	F.110	13	0.10	—	—	—	—	"
KLM C	F.00	10	1.40	0	3.30	—	—	"
KLM C	F.70	69	5.30	14	7	—	—	"
KLM C	F.80	33	10.80	24	11	—	—	"
HH C	F.110	—	—	2	8	—	—	F.110.50
NN C	F.115	8	3.80	2	4.70	1	5.70	"
HH C	F.120	—	—	—	—	2	3.60	"
PET C	Fr.0500	—	—	2	200	2	300	Fr.6000
PHI C	F.20	11	0.80	151	2.30	60	1.70	F.19.70
PHI C	F.22.50	132	0.20	70	0.50	36	0.90	"
PHI C	F.25	120	0.20	50	0.20	—	—	"
PHI P	F.20	10	0.70	—	—	16	1.10	"
PHI P	Fr.22.30	21	2.80	10	3.10	—	—	"
PHI P	Fr.25	—	—	1	5.20	—	—	"
RO C	F.140	5	23.70	—	—	—	—	"
RO C	F.145	1	20	—	—	—	—	F.109
RD C	F.150	145	15	1	18.00	20	17	F.162
RO C	F.160	544	7.70	114	9.80	63	11.50	"
RD C	F.170	351	3.40	57	5	22	0.50	"
RD P	F.140	4	0.20	—	—	—	—	"
RD P	F.145	—	—	1	1.80	—	—	"
RD P	F.150	83	1.70	—	—	1	0	"
RD P	F.160	001	5.50	127	8	10	9	"
RO P	F.170	50	10.80	29	13.00	—	—	"
UNI C	F.115	83	7.00	—	—	—	—	F.119.20
UHI C	F.120	46	3.80	—	—	20	6.50	"
UHI C	F.125	50	1.40	14	3	—	—	"
UHI C	F.130	0	0.60	12	1.20	—	—	"
UNI P	F.110	—	—	10	1.60	—	—	"
		Feb.		May		Aug.		
BA C	$50	—	—	8	19⅝	—	—	$60⅛
BA C	$60	—	—	10	0½	—	—	"
BA C	$70	—	—	7	2¾	8	4¼	"
BAS C	F.140	—	—	1	13	—	—	F.149
BAS C	F.150	—	—	10	3	2	4.50	"
OXY C	$25	10	4½	10	5⅝	—	—	$28¼
SLB C	$90	—	—	45	24¾	—	—	"
SLB C	$100	30	12¼	—	—	—	—	$110½
SLB C	$110	—	—	1	9¼	—	—	"
VES C	F.150	—	—	1	11	—	—	"
VW C	F.180	—	—	—	—	1	13	F.160.80
VW C	F.190	—	—	—	—	8	7	F.182.70

TOTAL VOLUME IN CONTRACTS 4511

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½ %
A P Banks Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	18½ %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½ %	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½ %
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½ %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%. 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

RISES AND FALLS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
RTZ	25p	14	460	− 8	492	226
LASMO	25p	11	480	−12	512	124
Furness Withy	£1	10	377	− 3	400	215
GUS A	25p	10	384	−14	448	288
ICI	£1	10	388	− 5	415	314
Premier Cons.	5p	10	74	− 1	87	13
Racal Electronics	25p	9	207	+ 1	276	168½
Barclays Bank	£1	8	445	− 5	514	360
Decca A	25p	8	490	+ 5	490	230
Plessey	50p	8	136	− 6	151	101
BP	25p	7	398	− 6	414	220½
Burmah Oil	£1	7	202	− 5	212	82
Cons. Gold Fields	25p	7	514	+ 5	617	178
NatWest Bank	£1	7	365	− 7	406	278
Unilever	25p	7	453	−17	680	448

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
Cons. Gold Fields	25p	80	514	+14	617	178
RTZ	25p	80	460	+37	492	226
Premier Cons.	5p	60	74	− 6	87	13
ICI	£1	58	388	+ 4	415	314
LASMO	25p	56	480	−26	512	214
Furness Withy	£1	55	377	+113	400	218
CompAir	25p	52	103½	+25	103½	52
Tricentrol	25p	50	292	−18	326	148
Shell Transport	25p	45	368	− 6	402	278
BP	25p	44	398	+ 8	414	220½
Charter Cons.	2p	44	185	+29	198	69
Decca A	25p	44	490	+50	490	230
Charterhall	5p	41	74	− 9	86	22½
Imp. Cont. Gas	£1	41	730	−18	773	356
Plessey	50p	40	136	− 5	151	101

UNIT TRUSTS (1)

MINES

Australian (34)

Miscellaneous (137)

Rhodesian (12)

South African (102)

West African (3)

Diamond (12)

OIL (405)

PROPERTY (109)

RUBBER (52)

UK RAILWAYS (3)

FOREIGN RAILWAYS

SHIPPING (106)

TEA (4)

CANALS (2)

WATERWORKS (3)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

FEBRUARY 14

FEBRUARY 13

FEBRUARY 12

FEBRUARY 11

FEBRUARY 8

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

FEBRUARY 14

FEBRUARY 13

FEBRUARY 12

FEBRUARY 11

FEBRUARY 8

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

FEBRUARY 14

FEBRUARY 13

FEBRUARY 12

FEBRUARY 11

FEBRUARY 8

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Alyn and Deeside (0244 531212)	15¼	½-year	5,000	1
Bury (061 764 6000)	15¼	½-year	1,000	1
Bury (061 764 6000)	14½	½-year	1,000	2
Knowsley (051 548 6555)	15¼	½-year	1,000	1
Redbridge (01-478 3020)	15¼	½-year	1,000	1
Redbridge (01-478 3020)	14⅞	½-year	200	2-3
Redbridge (01-478 3020)	14	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term shares
	%	%	%	%
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	10.75 3 months
Bristol Economic	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.00	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3 yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11.25 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	10.75	12.50	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	10.25	10.50	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.50	12.00	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.85	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.25	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.50	11.90 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Nationwide	10.20	10.50	11.75	12.50 6 mth., 11.25 3 mth., min. £1,000
Newcastle Permanent	10.25	10.50	11.75	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	11.75	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.25	10.75	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.65 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.25	10.50	11.50	11.25-12.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.50	10.80	11.70	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0098 per cent at yesterday's tender to 16.1643 per cent, while the minimum accepted bid remained at £95.96. Bids at that level were met as to about 9 per cent and above in full. The £300m bills on offer attracted bids of £1,370.555m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was in short supply in the money market, and the authorities gave assistance on a smaller scale by buying a small amount of Treasury bills and a small number of local authority bills, all direct from the discount houses. They also lent a small amount to 2 or 3 houses at MLR for repayment on Monday. The market was faced with the repayment of a large amount of official lending and the call on the Treasury 12½ per cent long tap.

On the other hand banks brought forward balances a small way above target and Government disbursements (including rate support grant) exceeded revenue transfers to the Exchequer (including tobacco tax) by a large amount.

EXCHANGES AND BULLION

Sterling lost ground against major currencies yesterday, while the dollar improved after a rise in the U.S. discount rate to 13 per cent from 12 per cent. Sterling was in demand during the morning in fairly thin trading, and rose from an opening level of $2.3125 to $2.3150. News of a year on year rise of 18.4 per cent in the Retail Price Index did not appear to have any immediate effect, but later in the day a rise in the visible trade deficit for January together with the U.S. discount rate increase, prompted further selling of sterling. It finished at $2.2945-2.2965, a loss of 1.75c, but well above its lowest point of the day of $2.2850. On Bank of England figures, its trade weighted index fell to 73.0 from 73.3.

The dollar traded quietly for most of the day, and although it improved on news of the rise in the U.S. discount rate, trading remained on the thin side. Against the D-mark it finished at DM1.7415, up from DM1.7360 on Thursday, and SwFr 1.6285 against SwFr 1.6180 in terms of the Swiss franc. On Bank of England figures, the dollar's trade weighted index rose to 85.3

Gold fell $9 an ounce

THE POUND SPOT AND FORWARD

Feb. 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2850-2.3150	2.2945-2.2965	0.70-0.60c pm	3.40	1.85-1.75 pm	3.14
Canada	2.6540-2.6845	2.6650-2.6670	0.90-0.80c pm	3.82	2.70-2.60 pm	3.97
Nethlnd.	4.39-4.44	4.40-4.41	2⅝-1⅝c pm	3.79	7⅛-6⅛ pm	6.01
Belgium	64.85-65.35	64.90-65.00	20-10c pm	2.77	55-45 pm	3.08
Denmark	12.45-12.58	12.46-12.47	3-5ore dis	−3.85	7¼-9¼ dis	−2.65
Ireland	1.0730-1.0855	1.0740-1.0750	par-10.10p dis	−0.56	0.14-0.24dis	−0.71
W. Ger.	3.99-4.03½	3.99½-4.00½	3½-2½pf pm	9.00	9⅛-8⅞ pm	9.37
Portugal	108.30-109.50	108.35-108.65	par-50c dis	−2.76	par-100 dis	−1.84
Spain	152.70-153.90	152.80-152.90	25c pm-25 dis	—	20pm-80dis	−0.78
Italy	1,848-1,864	1,848½-1,849½	2lire pm-par	0.65	1-3 dis	−0.43
Norway	11.10-11.27	11.16-11.17	6¼-4¼ore pm	5.64	18-16 pm	6.09
France	9.35-9.42½	9.35½-9.36½	5-4c pm	3.77	14¾-13¾ pm	3.88
Sweden	9.53-9.62	9.53½-9.54½	3¼-1¾ore pm	3.46	9-7 pm	3.35
Japan	555-565	557½-558½	4.60-4.20y pm	9.46	12.65-12.15pm	8.89
Austria	28.55-28.85	28.58-28.63	25-15gro pm	8.39	67-57 pm	8.67
Switz.	3.72½-3.77	3.73½-3.74½	4¼-3¼c pm	13.64	12¾-11¾ pm	13.10

Belgian rate is for convertible francs. Financial franc 66.40-66.50. Six-month forward dollar 2.73-2.68c pm. 12-month 4.35-4.25c pm.

GOLD

	February 15		February 14	
Gold Bullion (fine ounce)				
Close	$656-661	(£286-288.3)	$665-670	(£287¼-289½)
Opening	$673-677	(£291-292.8)	$683-688	(£295¾-298½)
Morning fixing	$674.50	(£292.017)	$688	(£298.158)
Afternoon fixing	$667	(£289.371)	$682	(£294.473)
Gold Coins				
Krugerrand	$660-665	(£288-291)	$675-680	(£291½-296½)
Mapleleaf	$660-670	(£288-295)	$675-683	(£291½-296½)
New Sovereigns	$166-169	(£72-74)	$171-175	(£75½-73)
King Sovs	$178-181	(£77-80)	$178-181	(£76¾-78¾)
Victoria Sovs.	$179-182	(£78-81)	$181-183	(£77¾-79¾)
French 20s	$156-150		$160-163	
60 pesos Mexico	$820-830		$825-836	
100 Cor. Austria	$635-645		$648-658	
$20 Eagles	$783-793		$790-800	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Feb. 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.296	4.000	558.0	9.360	3.740	4.405	1849.	2.660	64.95
U.S. Dollar	0.436	1.	1.743	243.1	4.078	1.629	1.919	805.5	1.161	28.29
Deutschemark	0.250	0.574	1.	139.5	2.340	0.935	1.101	462.3	0.667	16.24
Japanese Yen 1,000	1.792	4.114	7.168	1000.	16.77	6.703	7.894	3314.	4.778	116.4
French Franc 10	1.068	2.452	4.274	596.2	10.	3.996	4.706	1975.	2.848	69.39
Swiss Franc	0.267	0.614	1.070	149.2	2.503	1.	1.178	494.4	0.713	17.37
Dutch Guilder	0.227	0.521	0.908	126.7	2.125	0.849	1.	419.8	0.605	14.74
Italian Lira, 1,000	0.541	1.241	2.163	301.8	5.063	2.023	2.382	1000.	1.448	35.13
Canadian Dollar	0.375	0.861	1.500	209.3	3.511	1.403	1.652	693.5	1.	24.36
Belgian Franc 100	1.540	3.534	6.158	859.1	14.41	5.758	6.782	2847.	4.105	100.

LONDON MONEY RATES

Feb. 15 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16-18	—	—	—	10¾-17¾	15¾-17	—	—	—
2 days notice	—	—	17⅛-17⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17-17¼	17⅛-18	—	18	17¾	16¾-16⅞	—	—	—
One month	17⅝-17½	17⅝-17⅛	17¾-17⅞	19-18⅞	17⅞	17⅞	16¾	15⅞	17⅛	18¼
Two months	17⅝-17½	17⅛-17⅜	—	18⅜-18⅛	17⅞	—	16⅝	16	17	18
Three months	17⅝-17½	17⅞-17⅝	17¾-17⅞	18⅛-17¾	17⅞	17⅜	16½	16⅛	17	17¾
Six months	16⅞-28⅜	10⅞-10⅞	10⅞-17	17-10½	17¼	17¾	—	—	16⅛	16⅝
Nine months	15⅞-15⅞	10-10⅞	—	17⅞-17⅜	16⅝	—	—	—	—	—
One Year	15¾-15⅝	15¾-15⅛	10½	17⅛-16⅞	16¼	—	—	—	—	—
Two years	—	—	15½-16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 13¾-16 per cent; four years 15¾ per cent; five years 15½-15¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅞ per cent; four-month trade bills 17 per cent.

Approximate selling rates for one-month Treasury bills 15²⁷⁄₃₂ per cent; two-months 15²⁷⁄₃₂ per cent; three-months 15⁵⁄₃₂ per cent. Approximate selling rate for one-month bank bills 17⅛ per cent; two-months 17⅞ per cent; three-months 17⅛ per cent; one-month trade bills 18 per cent; two-months 17¾ per cent and three-months 17½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from February 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1643 per cent.

CURRENCY MOVEMENTS

Feb. 16	Bank of England Index	Morgan Guaranty changes %
Sterling	73.0	−33.4
U.S. dollar	85.3	− 8.0
Canadian dollar	81.5	−16.6
Austrian schilling	158.0	+24.3
Belgian franc	115.4	+13.7
Danish kroner	108.5	− 3.1
Deutsche mark	158.0	+40.9
Swiss franc	200.4	+79.5
Guilder	126.5	+20.2
French franc	102.1	− 6.8
Lira	55.4	−49.0
Yen	123.8	+14.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.35-14.45 per cent; three-months 14.85-14.95 per cent; six-months 15.00-15.10 per cent; one year 14.65-14.75 per cent.

Feb. 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	N/A	14¼-14½	13½-13½	10⅞-11⅛	¼-½	8-8⅛	12-13¼	13-15	—	7-10
7 days' notice	17⅞-18⅛	14⅜-14⅝	12⅞-13⅛	11-11¼	⅜-⅝	8⅛-8⅛	10-12¼	13½-16½	13⅞-14⅛	8-8⅛
Month	18-18¼	14⅞-14⅞	13⅞-13⅞	11⅜-11⅝	3¼-5⅜	8⅝-8⅞	10-12¼	15-17	14⅝-14⅞	8-8⅛
Three months	18⅛-18⅜	15-16¼	13⅞-13⅞	11⅝-11⅞	4½-4⅝	8½-8⅞	12½-12¾	10½-17⅛	14⅝-14¾	9-9⅛
Six months	17½-17¾	15-16¼	13⅞-13⅞	11⅝-11⅞	4⅝-4¾	8⅞-8⅝	13-13¼	18¾-19¾	14⅞-14⅞	9-9⅜
One year	16⅞-17⅛	14¾-16	15⅞-15⅞	11⅝-11⅞	4⅞-4⅞	8½-8⅝	13¼-13½	20⅛-21½	14½-14⅝	9-9⅛

Long-term Eurodollar two years 14⅛-14⅞ per cent; three years 13⅞-14⅛ per cent; four years 13⅝-13⅞ per cent; five years 13⅝-13⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5936	+2.02	+1.48	±1.53
Danish Krone	7.72336	7.82035	+1.26	+0.72	±1.64
German D-Mark	2.48208	2.49989	+0.72	+0.18	±1.125
French Franc	5.84700	5.85897	+0.20	−0.34	±1.3557
Dutch Guilder	2.74362	2.75542	+0.43	−0.11	±1.612
Irish Punt	0.668201	0.674719	+0.98	+0.44	±1.668
Italian Lira	1157.79	1158.13	+0.03	—	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Feb. 15	£	$		£ Note Rates
Argentine Peso	3863-3883	1680-1690	Austria	28.65-28.90
Australia Dollar	2.0645-2.0695	0.8995-0.9015	Belgium	66.50-67.00
Brazil Cruzeiro	103.48-104.48	45.05-45.50	Denmark	12.53-12.60
Finland Markka	8.51-8.52	3.6985-3.7000	France	9.34-9.40
Greek Drachma	88.964-91.036*	38.20-38.40	Germany	4.00-4.08½
Hong Kong Dollar	11.20-11.22½	4.8960-4.9000	Italy	1890-1955
Iran Rial	n/a	n/a	Japan	660-665
Kuwait Dinar(KD)	0.623-0.634	0.2782-0.2723	Netherlands	4.40-4.49½
Luxembourg Frc.	64.90-65.00	28.28-28.31	Norway	11.21-11.29
Malaysia Dollar	4.9840-4.9970	2.1710-2.1720	Portugal	106-109
New Zealand Dlr.	2.3330-2.3350	1.0165-1.0190	Spain	152-159¼
Saudi Arab. Riyal	7.71-7.81	3.3590-3.3620	Sweden	9.57-9.63
Singapore Dollar	4.9330-4.9460	2.1510-2.1530	Switzerland	3.74-3.76
Sth. African Rand	1.8670-1.8685	0.8135-0.8140	United States	2.30½-2.31½
U.A.E. Dirham	8.60-8.70	3.7405-3.7436	Yugoslavia	50-62½

Rate given for Argentina is free rate. * Indication only.

Trade figures set seal on thoroughly depressing day

Equity index down 11.3 at 462.6—Gilts fall nearly £1½

Account Dealing Dates

*First Dealings	Declara-tions	Last Dealings	Account Day
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar. 3
Feb. 25	Mar. 6	Mar. 7	Mar. 17

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A sharp worsening last month in the UK trade balance set the seal yesterday on a thoroughly depressing session in stock markets. London initially was unable to resist overnight weakness on Wall Street and most other international centres and the additional depressant of a grim UK labour scene took both main investment sections sharply lower.

Retail price figures heralding a further marked increase in the inflation rate were another cause for anxiety. The adverse influences presented worries for recent speculative buyers and triggered a general move to reduce or terminate commitments in a wide range of stocks recently bought for bid and exploration possibilities.

Leading equities were pulled down rather more by the heavy liquidation of speculative high-fliers than by weight of selling. The tone became more settled later and afternoon bear-covering was beginning to reduce the falls when, at 3.30 pm, the January trade deficit of £346m was announced.

This shook markets, and set in motion a fresh decline which left leading industrialists often closing with double-figure losses. The extent of the attempted afternoon rally was measured by a 1 pm loss of 10.8 in the FT 30-share index being shaded to 8.3 before the after-hours' reaction left it 11.3 down on the day at 462.6 for a net gain of just 1.2 on the week.

Government securities suffered similar uncertainty and the falls here were extending to 1½ in the late inter-office trade. Fresh upward pressure on U.S. interest rates put an added strain on a market already depressed by yesterday's RPI and UK trade deficit.

With the exception of tentative bear-closing shortly before the official close, business was generally one-way and this tended to accentuate the decline. The £70-paid Treasury 12½ per cent A 2003/5 settled 1⅝ down at 66⅜ after-hours, while shorter-dated issues were around ¼ easier; the tap, Exchequer 13¾ per cent 1983 (£60-paid), was ¾ cheaper at 58¼.

Traded options were relatively subdued, recording 877 trades, the lowest this week. The week's daily average amounted to 1,261, almost double the previous week's.

Leading Banks lower

Leading Banks steadied at the lower levels as selling evaporated and closed with falls ranging to 7p. Among Hire Purchases, Lloyds and Scottish shed 4 to 128p, while Wagon Finance eased 1½ to 35½p following the preliminary results.

Insurances relapsed in the late dealings with Sun Alliance 11 off at 578p and General Accident and Guardian Royal Exchange both 6 cheaper at 242p and 250p respectively. Commercial Union gave up 4 to 143p and Phoenix 8 to 244p. Among Life issues, Legal and General were notable for a loss of 7 at 171p, while Prudential shed 8 to 179p.

Breweries reflected the general market downturn and closed with falls to 5. Vaux shed that amount to 147p, while Greene King, at 175p, lost most of Thursday's gain of 5. Home Brewery provided an isolated firm spot and closed 12 up at 348p in a thin market. Among the leaders, Whitbread fell 4 to 130p, while Scottish and Newcastle shed a couple of pence to 56½p.

Selling among Buildings gathered pace in the late dealings with Blue Circle, a rising market of late on increases in the price of cement, closing 14 lower at 306p. Armitage Shanks, the subject of a bid from the latter, shed 5½ to 102p in sympathy: Ceramic Investments, which does not intend to accept the Blue Circle offer, increased its stake in Armitage to nearly 28 per cent on Thursday. Elsewhere, Helical Bar responded to the doubled half-yearly profits with a gain of 2 to 30p, while Blockleys added 6 to 84p in a thin market for a gain on the week of 16. Still reflecting the satisfactory interim statement, Rohan added 8 more to 85p, but Ward Holdings, good recently ahead of the annual results, eased 3 to 63p.

Dull at first on scrappy selling and lack of support, ICI picked up on the appearance of cheap buyers before falling in late dealings to close 5 cheaper on balance at 388p. Confirmation that the annual results will be announced on March 3 signalled selling of Fisons which shed 13 to 289p, still up 15 on the week. Late selling left Laporte 5 lower at 10p.

Freemans weak again

Stores displayed a dull appearance and finished at the day's lowest. British Home Stores fell 14 to 272p after bearish Press comment. Debenhams eased 4 to 79p, as did Marks and Spencer, 88p, and UDS, 71p. Mail-order issues continued to react to Freemans lower profits forecast. GUS A shed 14 to 384p, while Empire gave up 6 to 164p and Freemans shed 10 for a two-day fall of 28 at 122p. Elsewhere, Status Discount declined 8 to 60p following adverse Press comment, while Harris Queensway met profit-taking and closed 7 off at 180p, up 12 on the week. Foster Bros. encountered renewed speculative buying and ran up 10 to 100p, while Lee Cooper, 285p, and Moss Bros., 282p added 7 and 5 respectively. Polly Peck added 3 more to 18p; a gain of 8½ since Restro's 9p cash offer was announced on Wednesday.

Decca Ordinary, up 5 at 595p, and the "A" a similar amount higher at 490p, moved nearer to Racal's cash offers worth 600p and 500p respectively. Racal eased to 203p before recovering to close a net penny dearer at 207p, which makes its share exchange offer worth 621p for Decca Ordinary and 517p for the A. GEC, which conceded defeat in its tussle with Racal, followed the general trend and closed 10 cheaper at 375p. Other recent speculative favourites in the Electrical sector met fresh selling with Plessey down 6 more at 136p and Ferranti 17 off at 500p. Automated Security fell 12 to 250p and United Scientific a similar amount to 470p.

Leading Engineers followed the general trend with the majority of quotations finishing at the day's lowest. Tubes, 302p, and Hawker, 185p, were prominent with falls of 10 and 7 respectively, while GKN closed 4 cheaper at 267p and John Brown gave up 2½ to 52½p. Elsewhere, Alcan Aluminium weakened to 88p on the fall in annual profits before staging a partial rally to close 7 off on balance at 100p. Scattered losses in other secondary issues included Porter Chadburn, 5 cheaper at 64p, and Peter Brotherhood, 4 lower at 65p. On the other hand, T. W. Ward eased slightly to 102p initially before improving afresh to close 2 firmer at 105p.

In Foods, Associated Dairies eased 6 to 174p on a broker's adverse circular, while J. Sainsbury cheapened 5 to 290p. Kwik Save shed 5 to 97p. Avana, a good market of late on hopes of a bid from Northern Foods, relinquished 5 to 118p.

Leading Hotels and Caterers mirrored the dull trend with falls of around 5 common to Grand Metropolitan, 132p, and Ladbroke 152p, and Trusthouse Forte, 169.

BTR react

An attempted rally in the miscellaneous Industrial leaders was thwarted by the poor trade figures and final quotations were around the day's lowest. Glaxo, 248p, and Metal Box, 254p, fell 8 apiece, while Boots gave up 6 to 180p and Reed International 5 to 200p. Unilever lost 17 to 453p. Some of the falls elsewhere were fairly substantial. BTR, a firm market of late, reacted 11 to 336p, while Cawoods, in demand recently on its stake in Lasmo, lost 6 to 184p. Smiths Industries met selling and gave up 8 to 222p along with Elbar, a similar amount cheaper at 212p. The encouraging tenor of the full report failed to benefit Rank Organisation which lost 9 to 217p. De La Rue weakened 20 to 630p in a limited market. Against the trend, fresh support lifted Sharna Ware 10 to 165p and Office and Electronic 5 to 242p.

Fears about the situation at BL hit the major component suppliers. Associated Engineering fell 3 to 72p, while Armstrong Equipment, 52p, and Automotive Products, 65p, both shed 2½. Lucas closed 3 lower at 234p for a fall on the week of 12, while Dowty declined 5 at 189p. Elsewhere, coachbuilders Plaxtons recovered from an early 189p to close a net penny up at 192p following the chairman's confident annual statement, while Adams and Gibbon added 2 to 83p on the preliminary results.

Properties fell sharply in the after hours' dealings. Land Securities settled 14 lower at 290p, while MEPC shed 8 to 195p and Stock Conversion dipped 12 to 368p. Falls of 6 were marked against Haslemere Estates, 284p, Samuel, 113p, and Great Portland Estates, 222p, while Law Land and Capital and Counties shed 5 apiece to 67p and 102p respectively. Other notable falls included Berkeley Hambro, 7 off at 185p, and British Land, 4 cheaper at 70p.

Oils down

Oil shares sustained a further widespread setback. Final quotations were around the day's lowest with Shell ending 10 cheaper at 368p and BP 6 lower at 398p. Among secondary issues, Cambridge Petroleum weakened 20 to 272p, while losses of around 10 were recorded in Aran Energy, 346p, and Clyde, 360p. IC Gas fell 20 to 730p. Against the trend, small persistent demand in a thin market lifted Caledonian Offshore 75 to 140p.

Following the previous day's sharp advance on the bid of 360p from C.Y. Tung Group, Furness Withy reacted to 371p before recovering on fresh demand based on hopes of a counter-offer to close at 377p for a net fall of 3 on the day. Other Shippings trended easier, Common Bros. reacting 7 to 295p and Lyle 5 to 202p. P. and O. Deferred eased 2 to 119p.

In Textiles, Blackwood Morton fell 5 to 20p following the first-half deficit and proposed mill closures, while Trafford Carpets relinquished 3 to 20p on the announcement that no interim dividend is to be paid.

The weaker commodity price and profit-taking prompted further losses among Plantations. Guthrie fell 28 for a two-day loss of 78 at 810p. London Sumatra gave up 17 to 423p, while Castlefields dipped 12 to 523p. Teas were similarly affected and Lunuva, 390p, Williamson, 253p, and McLeod Russell, 350p all eased around 10.

Profit-taking in Mines

Mining markets ended an exciting week on a quiet note with the majority of issues losing ground on profit-taking.

The London-registered Financials held the stage all week following Tuesday's raid by De Beers on Gold Fields when the former picked up 11 per cent of the latter's equity to bring its stake to almost 25 per cent.

Gold Fields opened on Tuesday morning at 617p but fell back sharply on completion of the deal. Yesterday, Gold Fields dipped to 504p but picked up to close 5 better in balance at 514p, a rise of 14 over the week; the group's half-year results are expected on March 5.

The remaining UK Financials all benefitted from the reinvestment of profits made in Gold Fields. Rio Tinto-Zinc, 8 cheaper yesterday at 460p, ended the week 37 higher, while Charter, 3 cheaper at 185p, showed a rise of 39 over the five-day period. Although 16 easier yesterday at 780p, Selection Trust still showed an improvement of 65 on the week.

Australians sustained heavy losses following the downturn in overnight Sydney and Melbourne markets.

A notable exception was Samantha Exploration which rose 11 to a peak 163p, compared with 112p last Friday, following renewed heavy speculative buying; Samantha is currently exploring for gold in Queensland as well as for diamonds adjacent to the Ashton venture's Ellendale and Argyle areas.

The Ashton diamond venture partners moved up strongly in the early part of the week in anticipation of further news from the prospect in the annual results of Conzinc Riotinto, the leading member of the consortium.

However, the absence of fresh news prompted sizeable profit-taking in Ashton Mining and Northern Mining.

Profit-taking lowered Central Pacific Minerals a point to £24 and Southern Pacific 50 to 925p but both were well ahead over the week following the deal with CRA-BHP-BP to study the possible development of the Rundle oil-shale prospect.

South African Golds traded quietly throughout the week with the market overshadowed by the Gold Fields-De Beers activity. Yesterday share prices tended to drift with the Gold Mines index 8.6 lower at 349.7, up 4.7 over the five-day period.

FINANCIAL TIMES STOCK INDICES

—	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 8	A year ago
Government Secs.	66.02	66.97	67.05	66.10	66.59	66.65	65.19
Fixed Interest	67.07	67.64	67.40	66.85	67.02	67.26	66.06
Industrial	462.6	473.9	476.8	469.3	469.9	461.4	465.3
Gold Mines	349.7	358.3	353.8	352.5	357.5	345.0	177.2
Ord. Div. Yield	7.18	7.01	6.92	7.03	7.02	7.06	6.94
Earnings, Yld. % (full)	17.66	17.22	17.05	17.54	17.51	17.41	16.51
P/E Ratio (net) (*)	6.94	7.11	7.18	7.07	7.08	7.05	7.95
Total bargains	24,628	27,606	26,551	27,574	28,019	25,675	—
Equity turnover £m	—	198.07	164.04	356.30	117.47	153.03	60.26
Equity bargains total	—	22,688	19,198	21,966	18,353	21,113	11,535

10 am 467.1, 11 am 466.1, Noon 463.9, 1 pm 463.1, 2 pm 463.6, 3 pm 465.6.

Latest Index 01-246 8026.

*Nil=6.67.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.78 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Feb. 15	Feb. 14
—Daily		
Gilt-Edged	111.7	109.8
Industrials	144.9	189.1
Speculative	61.7	97.3
Totals	102.5	111.0
5-d'y Av'r'ge		
Gilt Edged	121.5	124.0
Industrials	150.4	149.3
Speculative	99.3	97.7
Totals	108.8	106.4

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	360	—	—	56	4	72	—	399p
BP	375	40	2	—	—	—	—	"
BP	400	24	36	—	—	—	—	"
BP	420	—	—	40	25	46	—	"
BP	440	19	21	—	—	—	—	"
Com. Union	130	39	—	32	2	—	—	146p
Cons. Gold	460	64	1	92	—	110	—	519p
Cons. Gold	500	38	105	64	1	84	—	"
Cons. Gold	550	12	5	42	20	56	—	"
Courtaulds	70	10	—	15	—	13½	20	76p
Courtaulds	80	4½	—	7	—	9	2	"
GEC	390	22	1	40	90	53	—	378p
Grand Met.	130	11½	4	18½	—	20	—	133p
Grand Met.	140	7	—	13	4	15	—	"
Grand Met.	160	1½	9	5	1	—	—	"
ICI	360	37	2	87	—	65	—	387p
ICI	390	21	69	38	—	47	—	"
ICI	420	12	10	26	—	36	—	"
Land Secs.	280	31	—	39	2	53	1	295p
Land Secs.	300	17	—	29	1	39	—	"
Marks & Sp.	80	14	—	18	9	22	—	90p
Marks & Sp.	90	6	—	12½	1	14½	—	"
Marks & Sp.	100	4	5	2	20	10	—	"
Marks & Sp.	110	2½	5	4	—	—	—	"
Shell	330	50	—	66	1	76	—	379p
Shell	360	17	59	28	26	40	—	"
Totals			328		130		25	
		February		May		August		
Imperial Gp.	70	13½	—	14	1	15	—	83p
Imperial Gp.	80	3½	74	5	64	6	2	"
Imperial Gp.	90	¼	—	2	10	—	—	"
Racal Elec.	200	11	16	28	—	35	—	209p
Racal Elec.	220	1½	—	19	—	25	4	"
Racal Elec.	240	¼	—	11	25	12	2	"
RTZ	360	105	—	118	1	135	—	460p
RTZ	390	75	—	90	11	115	—	"
RTZ	420	45	58	70	95	95	—	"
RTZ	460	—	—	50	22	70	2	"
RTZ	500	—	—	27	—	60	—	"
Totals			150		230		16	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	4	85	1	101	281	69
Corpns. Dom. & Foreign Bonds	3	26	38	75	89	186
Industrials	119	568	719	1,855	1,167	3,958
Financial and Prop.	16	350	133	1,159	518	814
Oils	1	35	7	64	108	43
Plantations	—	21	7	61	38	43
Mines	13	101	35	311	224	210
Others	8	86	70	210	298	318
Totals	163	1,261	1,010	3,836	2,702	5,640

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section — Fri., Feb. 15, 1980 (Index No.; Day's Change %; Est. Earnings Yield % (Max.); Gross Div. Yield % (ACT at 30%); Est. P/E Ratio (Net)) — Thurs., Feb. 14; Wed., Feb. 13; Tues., Feb. 12; Mon., Feb. 11; Year ago (approx.) — Highs and Lows Index: 1979-80 High, Low; Since Compilation High, Low

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (15)

BUILDINGS (1)
Mixconcrete

STORES (2)
Lee Cooper, Polly Peck

ELECTRICALS (1)
Decca A

INDUSTRIALS (3)
AGA AB, Jourdan (T.), Hewitt (J.)

MOTORS (1)
Supra

SHIPPING (1)
Fisher (J.)

TEXTILES (1)
Nova (Jersey)

MINES (5)
General Mining, Paringa, Jo'burg Consld., Consld. Murchison, Vogels.

NEW LOWS (23)

AMERICANS (2)
Cont. Illinois, Morgan (J. P.)

CHEMICALS (1)
Ofrex-Strand

STORES (6)
Amber Day, Ford (Martin), Blackman & Conrad, Rosgill, Cornell Dresses, Upton (E.) A.

ELECTRICALS (1)
Sony

ENGINEERING (1)
Porter Chadburn

INDUSTRIALS (6)
Burndene, Rexmore, C H. Inds., Platignum, Hallam Sleigh, Whatman Reeve Ang.

LEISURE (1)
Boosey & Hawkes

TEXTILES (3)
Reliance Knitwear, Trafford Carpets, Snia Viscosa

TEAS (1)
Assam Frontier

MINES (1)
Tongkah Harbour

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 18	Feb. 29	May 9	Jun. 9
Mar. 3	Mar. 14	Jun. 12	Jun. 23
Mar. 17	Mar. 28	Jun. 26	Jul. 7

For rate indications see end of Share Information Service

Call options were dealt in John Brown, Fitch Lovell, Carrington Viyella, Aaronson, Coral Leisure, Plessey, Bambers, Premier Oil, Dundonian, Burton Warrants, Debenhams, Westland Aircraft, Fobel International, Beree, Fisons, William Press, Carr Boyd and Lasmo. Puts were done in Furness Withy, Status Discount and Racal, while doubles were arranged in Premier Oil and Town and City.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	50.2	53.1	.....	1.89
Abbey Capital	37.8	40.9	.....	5.37
Abbey General	49.3	52.7	.....	5.41
Abbey Gilt & F.I. Tst.	100.6	107.0	.....	4.68
Abbey Income	43.0	46.4	.....	8.22
Abbey Intl. Bd. Tst.	92.1	97.1	.....	5.66
Abbey Inv. Tst. Fnd.	39.9	43.1	.....	5.42
Equitas Prog. Trust	73.2	79.1	.....	5.46

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.3	95.1xd	.....	13.01

Allied Hambro Group (a)(z)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st.	80.6	86.2	.....	5.57
Brit. Inds. Fund	72.1	77.1	.....	5.84
Growth & Income	43.2	46.2	.....	5.45
[illegible]. & Ind. Dev.	39.5	42.3	.....	4.96
[illegible]ed Capital	80.8	86.5	.....	5.09
Hambro Fund	122.9	131.5	.....	5.59
Hambro Acc. Fund	151.4	160.9	.....	5.22
Income Funds				
High Yield Fd.	70.4	75.3xd	.....	9.83
High Income	74.3	79.5	.....	7.42
A. H. Eq. Inc.	42.4	45.4xd	.....	7.69
International Funds				
International	30.1	32.2xd	.....	3.36
Pacific Fund	48.6	50.9	.....	2.43
Secs. Of America	62.2	66.6	.....	2.10
Specialist Funds				
Smaller Co.'s Fd.	48.8	52.2	.....	4.50
2nd Smlr. Co's Fd.	58.3	62.4	.....	4.57
Recovery Sits.	117.9	126.2	.....	6.14
Met. Min. & C'dty.	63.5	67.9	.....	4.34
Overseas Earnings	61.8	66.1	.....	5.14
Exempt Funds♦				
Far East Exempt	54.8	57.0	.....	3.11
Smaller Co. Exempt	75.5	79.3	.....	4.92
U.S.A. Exempt	110.2	114.6	.....	3.05

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	58.3	62.8	+2.6	5.44

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	150.0	159.0	.....	12.40

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	44.4	48.3	-0.3	11.19
(Accum. Units)	71.2	77.4	-0.5	11.19
Extra Income Fd.	97.8	106.4	-0.3	10.95
(Accum. Units)	105.9	115.2	-0.3	10.95
High Inc. Fund	36.7	39.9xd	-0.3	11.09
♦(Accum. Units)	57.5	62.5xd	-0.5	11.09
(8½% W'drwl. Uts.)	48.5	52.8xd	-0.4	11.01
Preference Fund	21.6	23.5xd	.....	14.10
(Accum. Units)	38.4	41.8xd	.....	14.10
Capital Fund†	24.2	26.1	.....	—
Commodity Fund***	86.6	94.4	.....	2.97
(Accum. Units)	131.0	142.8	.....	2.97
(10% W'drwl. U.)	69.3	75.5	.....	2.97
Fin.&Prop.Fd.*	20.4	22.0	.....	4.95

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Feb. 8	210.2	224.2	.....	5.31

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.7	19.6xd	.....	5.92
Gt. Winchester O'seas	20.8	23.1xd	.....	2.38

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3711

Emson Dudley Tst.	76.4	82.2	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	79.4	83.5	.....	4.71

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	26.5	27.9	-0.7	1.00
Fixed Interest	25.4	26.6	-0.1	12.1
Growth + Income	29.3	30.9	-0.2	7.80
Special Sits.	29.6	31.2	-0.4	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	29.2	31.4	.....	2.33
Accum. Units	35.4	38.1	.....	2.33
J. Finlay High Income	34.3	36.9	.....	9.36
J. Finlay Euro. Fin.	23.1	24.8	.....	3.41
Accum. Units	28.5	30.7	.....	3.41
J. Finlay Fd. In. Tst.	33.5	36.0	.....	5.28
Accum. Units	40.4	43.5	.....	5.28

Prices on February 13. Next dealing February 20.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	54.4	57.8	.....	1.36
American Turnaround	53.4	56.8	.....	2.00
Capital Tst.	55.0	58.4	.....	4.64
(Accum. Units)	55.0	58.4	.....	4.64
Extra Income Trust	49.2	52.2	.....	10.10
Income Tst.	38.8	41.2	.....	8.08
Int. Growth Fd.	45.4	48.2	.....	2.08
(Accum. Units)	47.8	50.8	.....	2.08

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	50.2	53.6	-1.3	4.75
Do. Accum.	69.1	73.9	-1.8	4.75

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Feb. 14	122.4	122.9	+5.7	4.72
Gross Inc. Feb. 14	77.6	81.4	+3.9	10.81
High Yield Feb. 14	90.5	93.5	+3.3	9.66

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	122.4	130.2xd	-1.1	2.90
Do. Acc.	153.9	163.7	-1.4	2.90
G.T. Inc. Fd. Un.	190.1	202.5	+2.5	7.40
G.T. U.S. & Gen.	158.2	168.2	-0.9	2.00
GT Wld. Bd. Fd.	96.8	99.5	+0.7	5.60
G.T. Japan & Gen.	74.1	78.4	+0.4	2.60
♦Gt. Pens. Ex. Fd.	265.9	279.1xd	-1.7	2.40
G.T. Int'l. Fund	208.0	221.2	+3.8	1.30
G.T. Four Yds. Fd.	53.4	56.8	-1.0	7.80
G.T. Far East & Gen.	57.4	61.7	+1.9	2.40

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	38.7	41.3	.....	5.04

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	30.3	32.6	.....	0.78
British Tst. (Acc.)	65.6	70.6	.....	4.16
Commodity Share	44.3	47.7	.....	2.67
Extra Income Tst.	24.0	25.8	.....	9.09
Far East Trust	36.3	39.3	.....	2.73
High Income Tst.	57.3	61.6xd	.....	9.90
Income Fund	70.0	85.9xd	.....	7.01

[illegible]

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	40.9	44.9xd	.....	9.80
North American	54.3	58.8	.....	2.74
Canadian Exempt	61.2	65.1	.....	2.85
Canadian Trust	58.9	63.8	.....	2.85
Mid Mount High Inc.	48.2	50.7	.....	10.40
Recovery	51.7	56.4	.....	5.40
Gilt Trust	44.3	45.8xd	.....	10.70

Crescent Unit Tst. Mgrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	28.0	30.2	.....	1.12
Cres. Internat'l.	60.1	64.6	.....	2.00
Cres. High. Dist.	44.8	48.3	.....	9.96
Cres. Reserves	44.6	48.1xd	.....	5.85
Cres. Tokyo	18.9	20.4	.....	1.00

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

[illegible]

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Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

129	97	U.S.M.C. 9pc 1982	98	−1	9.39	—
95	81	Do. without Warrants	85	−½	10.74	17.20

Financial

103¼	96	FFI 13pc 1981	96¾	......	13.44	16.72
108¼	93½	Do. 14pc '83	94¾	+¼	14.77	15.82
86½	77½	ICFC 5½pc Deb. '80-82	82¼	−¼	6.88	15.47
85	69	Do. 6¼pcDb. '81-84	73½	−½	8.71	14.70
99	79½	Do. 10¼pc Uns.Ln. '86	85	−½	12.55	14.75
99	77	Do. 11pc Uns.Ln. '88	84½	−½	13.24	14.25
101½	80	Do. 11¾pc Uns. Ln. '90	86	−½	13.92	14.80
72½	54½	Do. 7¼pcADeb. '89-92	59½	......	12.56	14.60
69	51½	Do. 7¾pcA Db. '91-94	59	−½	12.99	14.70
72	64	Do. 9pc 'A' '91-94	70	......	13.61	14.70
78½	61	Do. 8¾pc Ln. '92-97	62½xd	......	14.20	14.85
102	85	Do. 12pc Uns. Ln. 1992	86½xd	−½	14.45	14.95

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]								
286	230	Brown Shipley £1	276	......	13.0	—	6.7	—
375	250	Cater Ryder £1	310	......	18.88	—	8.7	—
110	59	Clive Dis'nt 20p	75	......	5.33	—	10.2	—
224	121	Com'l Aus. ($A1)	156	......	†018c	3.0	6.0	5.5
*925	862	Com'zbk DM 10	910	−15	Q26%	—	7.6	—
£18½	900	C'hgn.Hbk.Kr100	975	......	Q13%	—	13.6	—
41	20	Corinthian 10p	35	......	†1.05	5.9	4.3	4.0
£24¾	£15	Cred. France F75	£17⅛	−⅛	Q9.87%	—	3.8	—
13	5	Dawes (G. R.)	13	......	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£66	−⅛	Q28.12%	—	5.6	—
90	55	F. C. Finance	62	−1	2.2	4.9	5.1	5.7
17	5¼	First Nat. 10p	13¼	−¼	—	—	—	0.8
4	1½	Do. Wrrts. 75-83	2	......	—	—	—	—
266	178	Gerrard Natnl	232	+2	†9.12	—	5.6	—
82	38	Gibbs (A.)	80	......	2.2	—	3.9	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

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CHEMICALS, PLASTICS—Cont.

[illegible]

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ENGINEERING MACHINE TOOLS

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ENGINEERING—Continued

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FOOD, GROCERIES, ETC.

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FOOD, GROCERIES—Cont.

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HOTELS AND CATERERS

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INDUSTRIALS (Miscel.)

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
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EASTERN RAND

FAR WEST RAND

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FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	395	......	Q54c	2.2	7.8
680	132	Falcon Rh.50c	645	......	Q100c	1.7	10.7
48	11	Rhod'n Corp. 16½p.	41	......	0.56	6.5	2.0
267	70	Roan Cons. K4	252	−8	Q0.125	ϕ	3.0
67	26	Wankie Col. Rh.1	55	+1	Q9c	1.5	11.3
57	9	Zam.Cpr.SBD0.24	49	−2	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	23	......	—	—	—
24	4	ACM 20c	20	−4	—	—	—
115	50	Bond Corp.	112	−2	Q3.75	2.2	1.7
234	100	Bougainville 50 Toea	220	−7	sQ37½c	ϕ	9.4
265	84	BH South 50c	240	......	←	—	—
12	12	Canada Northwest	12	......	—	—	—
54	8	Carr Boyd 20c	40	......	—	—	—
£26	340	Central Pacific	£24	−1	—	—	—
356	170	Conzinc Riotinto 50c.	335	−21	Q15c	ϕ	2.3
36	14	Cultus Pacific N.L.	22	−2	—	—	—
*50	2½	Eagle Corp. 10c	40	−2	—	—	—
26¼	11	Endeavour 20c	25	−1	—	—	—
258	62	G. M. Kalgoorlie 25c	238	−2	†Q3c	—	0.6
340	148	Hamptn Areas 5p.	320	−5	3.5	2.8	1.6
75	20	Haoma Gold N.L.	35	−1	—	—	—
72	25	Metals Ex. 50c	68	−4	—	—	—
314	134	M.I.M. Hldgs. 50c	297	−9	ttQ15.1c	1.8	2.8

TINS

COPPER

230	56	Messina R0.50	230	......	Q10c	ϕ	2.5

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
86	54	Barymin	85	−1	—	—	—
14½	10	Burma Mines 17½p	14½	+½	—	—	—
502	170	Cons. Murch. 10c.	502	+2	Q100c	ϕ	11.4
585	280	Northgate C$1	460	−45	—	—	—
492	226	R.T.Z.	460	−8	†11.5	3.4	3.6
31	12	Robert Mines	18	−6	—	—	—
65	26	Sabina Inds. C$1.	47	−5	—	—	—
880	470	Tara Exptn. $1	612	−13	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 22

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday February 16 1980

MAN OF THE WEEK

Bidder from the East

BY ANTONY ROWLEY

TUNG HAO-YUNG, or "C. Y. Tung" as westernised form of his Chinese name has it, and who has made a bid for Furness Withy, is a low-profile figure among the ranks of international shipping magnates. Wealthy Chinese entrepreneurs rarely like to publicise their activities anyway but Tung seems more than usually reticent on this score. Though he has never courted personal publicity C. Y. Tung is, however, a man who believes in high visibility so far as his fleet of well over one hundred ships is concerned. For instance, he registers a large part of his fleet in Hong Kong, unlike other owners who make heavier use of registries in such places as Liberia and Panama. That may deny him the anonimity some shipping magnates seek but it helps him attract cargo.

C. Y. Tung
Has a way of maximising the profits from his fleet

Most people who know Tung regard him as a very astute shipowner who knows his business well. A comparison is sometimes drawn between C.Y. and his arch rival in Hong Kong, Sir Y. K. Pao, head of the World-wide Shipping Group. Pao is reputed for his talents in putting together complex financial deals, such as the so-called "Shikumisen" variety which took him into extensive partnerships with Japanese banks and shipyards in recent years. Though maybe not the financier that Y. K. Pao is, Tung has a way of maximising the profits from his fleet to a degree which probably causes envy among some of his rivals.

Unlike those owners who have gone for greater tonnages than he has, C.Y. believes that the value of a ship is not just in chartering it out. He may be considerably smaller in tanker-tonnage terms than rivals, but it is said of Tung that he is "making more dollars per ton than they are."

Even so, the Tung group is big by any standards. The liner arm of the group—Orient Overseas Container (Holdings) which is the vehicle being used for the proposed takeover of Furness, Withy — ranks fourth worldwide in liftings capacity behind Sea-Land of the U.S., Hapag-Lloyd in West Germany, and Ocean Container Line in Britain.

OOCH, which showed a total deadweight tonnage of some 413,000 tons in its last annual report, is estimated to account for only 4 per cent or so of Tung's total fleet, which is estimated to weigh in at around 10m dwt in all. For comparison, Y. K. Pao's quoted arm, Eastern Asia Navigation, boasts a fleet of around 5m dwt, but again this is only the tip of the iceberg so far as the world-wide group in total is concerned.

Broadly speaking, the difference between the two Hong Kong-based shipping magnates comes down to Pao's popular image as a tanker king while Tung is known as the man who pioneered Asia's entry into the revolutionary era of containerisation. And it is in containerisation that the Tung group continues to sink most of its confidence—and its investment.

Characteristically, however, the older Tung—C. Y. is now in his sixties—prefers to hide behind a facade of (usually smiling) benign inscrutability and leave it to his first-born son, Chee-Hwa (C. H. Tung) to explain the Tung group's strategies and ambitions.

C. H. has been chairman of OOCH since his father stepped down a couple of years ago to become honorary chairman. C. Y., if not a backseat driver, is said to remain very much a force in the company and if Chee-Hwa listens to him that has less to do with Chinese respect for elders than with the fact that, like so many self-made entrepreneurs from China, C. Y. learned some vital attributes on the way up—a hard-nosed dealing capability being among them.

Britain gets go-ahead for U.S. fibre curbs

BY GILES MERRITT IN BRUSSELS

BRITAIN WAS last night understood to have won the European Commission's permission to impose the special curbs that will protect the UK market against two major categories of cheap U.S. man-made fibres.

Commission officials have also confirmed that, in a parallel move, the Italian Government has applied for similar measures against U.S. polyester yarns, staple and fibres.

The decision on the British application for quotas to stem sales of certain U.S. synthetic fibres follows several days of tough negotiation in Brussels.

Mr. John Nott, Trade Secretary, is expected to tell the Commons on Monday that safeguards under Article 19 of the General Agreement on Tariffs and Trade will come into immediate effect to limit sales of U.S. polyester filament yarn and nylon carpet yarn.

It is understood that the commission rejected the application for quotas on a third category—tufted and nylon carpets—on the grounds that U.S. producers still hold only a small share of the market.

British efforts to persuade the commission that nylon carpet yarn should be covered was for a while also in some doubt. Italy's decision to demand comparable protection introduced a last-minute complication in the negotiations.

There are fears in Brussels that Italy's demands will trigger a fresh campaign by man-made fibre producers in France and West Germany for their Governments to follow suit.

The European industry's resentment against U.S. fibres produced from subsidised petrochemical feedstock has been increased by forecasts that instead of breaking even this year, the industry as a whole will suffer a £500m loss because of U.S. competition.

Next week Mr. Reuben Askew, the U.S. Special Trade Representative, will visit Brussels to discuss U.S.-EEC trade problems, such as synthetic fibres and steel, that threaten to provoke a protectionist trade war.

BMK axes carpet plant

BY RHYS DAVID, TEXTILES CORRESPONDENT

BMK, the carpet group, will close its spinning and weaving plants at Liversedge, West Yorkshire, with the loss of 300 jobs. The company blames generally weak demand in the UK market, which has been under pressure from cheap imports of U.S. tufted carpet.

In its latest results, published yesterday, BMK reported a loss of more than £500,000 for the second half of last year, on a reduced turnover.

Following the closure, which will take effect in three months, production will be concentrated at the group's headquarters in Kilmarnock, where about 1,800 are employed.

Mr. Alex Leggate, managing director, said yesterday the closure would enable surplus capacity at Kilmarnock to be used and would help to reduce overheads. The company's Scottish mills, which produce both woven and tufted carpets are working short-time.

Though 70 per cent of BMK's output is the more expensive Wilton and Axminster woven carpet, some loss of business has still been suffered.

Homfray, another large carpet producer, has recently announced a halving of its labour force to 800, and Associated Weavers is to pull out of tufted carpet production completely, with the loss of more than 1,000 jobs.

Employment in the industry has fallen from 35,600 four years ago to about 29,000—and about 5,000 of them are on short time.

BMK loss, Page 16

BL unions stall on pay threat

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

UNION LEADERS at BL Cars last night drew back from confrontation with the company over the pay offer already rejected in a ballot of the workforce.

The company, in six hours of talks with negotiators near Coventry, refused to increase its offer of 5 per cent for most workers and 10 per cent for craftsmen.

Mr. Geoff Armstrong, employee relations director, insisted that fundamental changes in working practices would also be necessary for the company to remain competitive.

The unions, rather than initiate industrial action, for which they already have authority from the senior shop stewards, have given the company two weeks to improve its offer.

Deadlock in the negotiations will increase the likelihood of a successful strike at Longbridge, Birmingham, in protest at the dismissal of Mr. Derek Robinson, the convener. Workers reluctant to take militant action on a point of principle might be persuaded to walk out to show their determination to force an improved pay offer.

The West Birmingham district committee of the Amalgamated Union of Engineering Workers is due to meet on Monday and is likely to instruct its 8,000 members at Longbridge to withdraw their labour in support of Mr. Robinson.

The fairly moderate line taken by union negotiators in the national pay talks underlines the weakness of their bargaining position.

Although the unions won the ballot by three to two, the result showed a clear division within the workforce. More seriously, industrial action hardly seems appropriate when the company is laying off thousands of workers and halting production of several models because of poor sales.

BL appears determined not to improve its offer. The negotiators will, when their two-week deadline runs out, have to decide whether to recall the senior shop stewards and determine what, if any, action is appropriate.

Plan for new Rover, Page 3

Oil consumption down by 5%

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE UK is consuming 5 per cent less oil this year than in 1979 partly due to the steel strike, say Shell and Esso.

Other causes of the reduction are the mild winter, increased oil prices, conservation, and the use of more coal in electricity generation.

The two companies said yesterday that 1 per cent of the drop in demand resulted from the steel strike.

Esso said demand for oil products was likely to fall a further 1 per cent if the strike lasted another three weeks and companies dependent on steel supplies cut production.

A big factor in the overall reduction of oil consumption, however, is the fall in sales to the Central Electricity Generating Board. The board is believed to be buying 25 per cent less oil than last year.

Oil price rises in the past year have also made coal increasingly competitive.

The 1 per cent drop in consumption of oil products due to the steel strike was chiefly caused by closure of British Steel's plants, said Esso.

Esso said the bulk of reduced consumption was due to the mild winter, the increased price of oil, and moves towards energy conservation.

Petrol demand this year was showing a modest growth. There had been a "significant" increase in the consumption of aviation fuel. But demand for other oil products was down.

Shell said it had expected reduced demand for oil products this year and had planned for it.

In 1979 Britain consumed about 95m tonnes of oil

Continued from Page 1

Strike threat

watering down of BSC's present proposal to cut its workforce by 52,000 steelworkers by next August.

At the same time, the Wales TUC has been pressing the national leadership to call widespread industrial disruption from March 10, unless there is a response from the BSC and Government.

Earlier this week, Mr. Len Murray, the TUC general secretary, interpreted a reply he had received from Sir Geoffrey Howe as "the first tentative move" by the Government.

But Welsh miners' leaders remain unimpressed either by Sir Geoffrey's reply or the agreement between the NCB and BSC halting any further increase in coking coal imports this year.

As matters stand, pit closures and redundancies are still threatened by earlier foreign coking coal contracts and the plan to halve South Wales' steel output.

Christian Tyler, Labour Editor, writes: Private talks tomorrow between the British Steel Corporation and the two leaders of the seven-week pay strike were confirmed last night after a day of uncertainty.

Mr. Bob Scholey, BSC chief executive and Dr. David Grieves, managing director of personnel, confirmed their invitation to Mr. Bill Sirs of the Iron and Steel Trades Confederation and Mr. Hector Smith of the National Union of Blastfurnacemen.

BSC had trouble yesterday agreeing the basis on which the talks would be held after the rejection of its "final" pay offer by the rest of the industry's unions on Thursday.

Continued from Page 1

Retail prices

payer in order to maintain his real take-home pay at the same level.

The detailed figures show that about one-third of last month's rise in retail prices was because of the increase in the mortgage rate, and housing costs rose by 6.9 per cent last month. Other significant factors were increases in the prices of beer, of many foods (particularly vegetables and meat) and of petrol. Rail and bus fares also rose sharply, and the first impact of higher telephone charges also showed up.

In contrast, the winter sales in the shops were reflected in no overall change in the cost of durable household goods last month.

Among increases due to affect the index from now on are beer prices again, postal charges, school meals, solid fuel including coal, petrol, and bus fares.

Water workers defer strike

By Gareth Griffiths

THE GENERAL and Municipal Workers' Union yesterday decided to defer a national strike in the water industry pending the outcome of new pay talks next week.

Mr. David Basnett, general secretary, said that consideration of strike action by the union's executive council would be postponed. The GMWU represents more than 20,000 workers in the water supply and sewage industry.

Shop stewards in the industry have rejected a 19.2 per cent pay offer and set a February 25 deadline for a national strike.

The National Water Council yesterday formally offered new talks to the four manual unions, the GMWU, Transport and General Workers' Union, the National Union of Public Employees and the National Union of Agricultural and Allied Workers. Officials expect these to take place next Thursday. A meeting of the industry's national joint council has already been scheduled and will provide a forum for discussion.

The chairmen and secretaries of both sides will have pay discussions earlier in the week.

Mr. Ron Keating, NUPE deputy general secretary, said: "It can only be assumed that the employers are prepared to improve on their present offer, otherwise there would be no point in resuming negotiations." He thought it possible that the Government had given authority for an improvement to the offer.

"I cannot see how an employer in a nationalised industry can be prepared to move without Government influence, particularly in an industry like water in which a strike would have grave consequences for the country.

"So I think the hand of Government is very much involved."

● Pay talks between the National Water Council and craft unions were adjourned yesterday for two weeks. A pay offer was put to the union side but both sides refused to disclose the size.

Weather

UK TODAY

SUNNY intervals, rain in places later, mild.

London, Midlands, N. and N.W. England

Mainly dry, early fog, some rain later. Max. 9-10C. (48-50F.).

S.E. and Cent. S. England

Early fog, bright intervals, some rain later. Max. 10-11C (50-52F.).

E. Anglia, E. England

Fog patches, mainly dry, sunny periods. Max. 9-10C. (48-50F.).

Channel Isles, S.W. England, S. Wales, N. Ireland

Rain, drier later. Max. 10-11C. (50-52F.).

N. Wales, Lakes, I. of Man, S.W. and N.W. Scotland, Glasgow, Argyll

Bright intervals, rain later. Max. 9-10C. (48-50F.).

N.E. England, rest of Scotland

Early fog, sunny periods. Max. 8-10C. (46-50F.).

Orkney, Shetland

Sunny periods. Max. 8C. (46F.).

Outlook: Mild, mainly dry.

28-day forecast: Dry in south; above-average temperatures generally, with a few cold days; above-average rain in N.W.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	55	Locarno	C	7	45
Algiers	F	16	61	London	F	11	52
Amsdm.	R	5	41	Luxmbg.	C	2	36
Athens	C	9	48	Luxor	F	22	72
Bahrain	S	21	70	Madrid	R	8	46
Barclna.	F	14	57	Majorca	C	13	55
Beirut	R	13	55	Malaga	S	19	66
Belfast	S	7	45	Malta	C	13	55
Belgrd.	C	2	35	M'chstr	C	7	45
Berlin	S	5	41	Melbne.	S	22	72
Biarritz	S	16	61	Mex. C.	S	21	70
Bmghm.	S	10	50	Milan	C	6	43
Bordx.	S	14	57	Mntreal.	C	−8	18
Boulgn.	C	6	43	Moscow	C	−7	19
Bristol	S	11	52	Munich	S	7	45
Brussels	F	8	46	Nairobi	S	23	73
Budpst.	F	4	39	Naples	F	10	50
B. Aires	C	31	88	Nwcstl.	C	9	48
Cairo	S	17	63	N. York	C	1	34
Cardiff	F	9	48	Nice	C	9	48
Cas'b'ca	S	17	63	Nicosia	C	14	57
Cape T.	R	22	72	Oporto	R	14	57
Chicago	Sn	−2	28	Oslo	C	3	37
Cologne	F	7	45	Paris	C	8	46
Cpnhgn.	C	0	32	Perth	S	25	77
Corfu	S	11	52	Prague	S	3	37
Dublin	S	8	46	Reykjvk.	F	7	45
Dbrvnk.	S	10	50	Rhodes	F	11	52
Ednbgh.	S	10	50	Rio J'o	S	33	91
Faro	F	18	64	Rome	F	11	52
Florence	S	11	52	Salzbrg.	S	7	45
Frankft.	C	5	41	Singapr.	S	31	88
Funchal	S	18	64	Stckhm.	C	3	37
Geneva	F	7	45	Strasbg.	C	3	37
Gibrltr.	S	18	64	Sydney	S	23	73
Glasgow	S	8	46	Tangier	F	16	61
G'nsey	C	9	48	Tehran	R	0	32
Helsinki	C	0	32	Tenerife	S	14	57
H. Kong	S	18	64	Tokyo	S	8	46
Innsbrk.	S	6	43	Toronto	Sn	−6	21
Invrnss.	C	7	45	Tunis	F	13	55
I.o.Man	S	8	46	Valencia	S	19	66
Istanbul	Sn	−1	30	Venice	S	7	45
Jersey	S	8	46	Vienna	C	1	34
Jo'burg	S	24	75	Warsaw	C	−4	25
L. Plms.	C	18	64	Zurich	F	3	37
Lisbon	R	15	59				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Swiss may order UK missiles

By John Wicks in Zurich

THE SWISS Government is planning a large-scale purchase of British guided missiles. The country's Ministry of Defence has called on the Federal Council to place an order, believed to be in the region of £200m, with British Aerospace for a series of its Rapier ground-to-air missiles.

One condition of the contract's going ahead, it is understood, is a measure of Swiss participation in some of the related manufacturing.

The Government is expected to put the recommendation to the two houses of the Swiss Parliament in September and December respectively.

The Swiss have chosen the all-weather version of the missile after about seven years' intensive study by them. Initial negotiations began in the 1960s.

The Rapier, which is already in use with the British and Australian armies, was considered together with the German-French Roland II system and the Swedish RBS-70.

Elsewhere in the Swiss defence programme, tests are in progress of a number of types of fin-stabilised armour-piercing ammunition for anti-tank use. British manufacturers are understood to be competing with West German, American and Israeli suppliers.

THE LEX COLUMN

Bewilderment in Birmingham

It is almost like the good old days. Bids and deals worth roughly £400m have been announced this week, and they have usually been backed by cash rather than the funny money that was shovelled out during the takeover boom of the early 1970s. That takes the total of acquisitions announced in the UK so far this year up to something like £800m, and although not all of these will be successful, it is clear that the overall level of takeover activity is rising sharply. Total acquisition spending in the fourth quarter of 1979 amounted to £752m, which was the highest level for seven years.

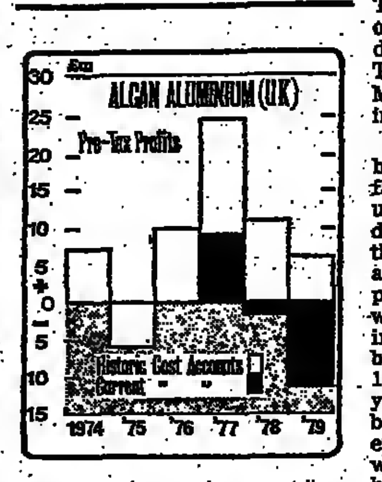
The bids have a number of common themes. One of the most obvious is the number of foreign investors who are after UK companies either for strategic reasons, or because their shares are selling at a big discount to net asset value, or both. The approach for C. T. Bowring comes into the first category, and the bids for Furness Withy and S. Hoffnung into the second. Both apply in the offer of Highland Distilleries (which has been stumped by the Monopolies Commission), the partial investments in Serck and Consolidated Gold Fields and—probably—the proposed sale of the Godfrey Davis car rental business.

In the UK, a number of deals have involved companies anxious to strengthen particular parts of their trading portfolio—the Allied/Vaux deal and Booker McConnell/BAT. In both cases, the vendor got rid of unprofitable assets at around book value. I.C. Gas is diversifying into the engineering sector via a bid for CompAir—again at around book value.

Racal's offer for Decca is rather a special case, in that its timing was determined by the controlling shareholders in Decca and the final terms are far in excess of net asset values. But the bid has this in common with all the other deals—it represents a far cheaper way of achieving Racal's management aims than could ever have been possible by greenfield investment. The bull's case is that with shares continuing to sell at a big discount to asset values at a time when some companies still have a lot of cash, there are plenty more bids to come.

In its excitement at rediscovering asset values, the equity market is tending to ignore the trend of corporate earnings, which in most sectors is going to be pretty grim in 1980. From

Index fell 11.3 to 462.6



Birmingham, the buying on Throgmorton Street must look incomprehensible. Dividend growth in 1980 is likely to be at its lowest for 10 years; the dividend cuts announced this week by Birmid Qualcast and Alcan (UK) may just be a foretaste.

Many other engineering companies must be waiting for an unexpected cut by a major in the sector to provide them with an excuse to follow suit. It seems at present as though the profits lost by the engineering industry through strikes in 1979 are not going to be anywhere near made up this year—as demand falls, profit margins suffer. And the steel strike has yet to have its full effect.

Alcan (UK)

All else being equal nothing could be more reasonable than that a company which has seen its profits fall from £25m pre-tax to £6m in two years, which has run a current cost loss of £11½m pre-tax, which has debt creeping up towards 50 per cent of capital employed and an interest charge absorbing two-thirds of operating profits, should think of cutting its dividend.

But all is not equal at Alcan (UK). Its Canadian parent has established a minority public shareholding of nearly 20 per cent in its British subsidiary. The only reasons for having such a minority concern politics, public relations, and the ability to use quoted UK paper in acquisitions. Cutting the dividend sabotages all three.

The cost of paying 9.9p rather than 6.6p to the minority shareholders—the parent, after all, could waive its right to the dividend—is a mere £280,000. This is not a large sum in terms of the Alcan group, which is doing very well outside the UK. The obvious conclusion is that Montreal no longer has any interest in the minority.

The problems in the British business stem from a number of factors — inadequate capacity use, partly because of breakdowns, high income gearing, and the reliance on semi-fabricated aluminium products, where competition is intense, at a time when the pound favours importers. The increase in borrowings was held to £9m in 1979 by reducing stocks; this year, with demand expected to be dull and heavy capital expenditure continuing, there will be further pressure on the balance sheet.

But unless sterling remains at crippling heights for ever, the growing shortage of aluminium that is universally forecast to appear over the next few years is going to help Alcan (UK)'s pricing before too long. If the company had no dominant shareholder it could hardly have dared cut its dividend, for fear of a takeover: at last night's price of 100p the market capitalisation is £44.3m, little more than the last two years' capital spending. That does not mean that, with a yield of less than 10 per cent and a prospective p/e of around 9, fully-taxed, the shares are cheap; the minority shareholders' position is not enviable.

Wedgwood

Wedgwood's third quarter results confirm that the massacre in the first quarter—when pre-tax profits fell by two-thirds—was an aberration. The strong pound and high interest rates, together with the poor London tourist season, continue to dampen volume and squeeze margins, but the third quarter decline at the pre-tax level has been held to 21 per cent, bringing the fall over the first nine months back to less than a third.

The shares moved up 1p from their 1979-80 low to 65p for a prospective fully-taxed p/e of 8 and a yield of about 9 per cent on unchanged dividend. The market capitalisation is now standing at just over 50 per cent of tangible assets — a good example of the sort of discount that has been attracting predator bids in the stock exchange in recent weeks.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.